THE Freeman

IDEAS ON LIBERTY

SEPTEMBER 1961

The Case for Saying No	Joe Hochderffer	3
Exploitation	G. M. SnelGrove	7
Freedom and the Nature of Man	Sylvester Petro	9
Double Jeopardy	H. P. B. Jenkins	15
What Liberty Is	Wendell J. Brown	16
Education for Individualism	Henry Hazlitt	25
What Can a Banana Tree Do?	Stanley Yankus	29
Miracle of the Market	Leonard E. Read	32
Volunteers for the Peace Corps	Hans F. Sennholz	38
Capitalist International	Alfred Anderson Kennedy	44
Wilhelm von Humboldt	Ralph Raico	46
Books:		
Let There Be Light!	John Chamberlain	54
Other Books		58

THE FOUNDATION
FOR ECONOMIC EDUCATION, INC.
Irvington-on-Hudson, New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OUTSTANDING ADVANTAGES FOR SAVERS

COAST FEDERAL SAVINGS

OF LOS ANGELES

JOIN the more than 100,000 savers who hold individual, joint, trust, or corporation savings accounts at Coast Federal and get these important advantages:

UNMATCHED SAFETY—Assets over $450 million—third largest association in the U.S. Strong reserves and high ratio of cash and government bonds to assure withdrawal of savings immediately on request.

HIGHEST EARNINGS consistent with safety. Current rate 4½% per annum. Accounts opened by the 10th of the month earn from the first.

SAVE-BY-MAIL CONVENIENCE — Airmail postage paid both ways. Prompt, efficient service on all transactions.

INSURANCE—Each account insured up to $10,000 by the Federal Savings and Loan Insurance Corporation.

- **FREE—Beautiful, full color Guidebook to Greater Los Angeles.**

COAST FEDERAL SAVINGS

JOE CRAIL, PRESIDENT

Coast Federal Savings, Department "H"
855 South Hill St. at 9th
Los Angeles 14, Calif.

(Please check-mark as desired.)

1. ☐ **I enclose** ☐ **check,** ☐ **money order, to open a savings account in the following name or names:**

_____

_____

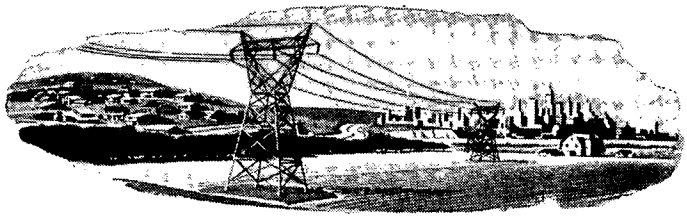
2. ☐ **Please send information and L. A. Guidebook to:**

Name _____

Address _____

City _____ **Zone** _____ **State** _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



WHY...?

WHY are some people urging the federal government to spend billions more on electric power plants when the federal budget is already hard pressed to meet the nation's defense needs?

WHY are some people trying to get the government to spend money needlessly on federal electric transmission lines instead of using existing and planned facilities of the investor-owned light and power companies.

WHY do certain pressure groups keep pushing for more federal government electricity when the electric light and power companies can supply all the additional power the nation will need?

WHY should the federal government spend money needlessly when it can *get* money instead—through the additional taxes the investor-owned electric companies will produce if they supply all of the power for the future?

WHY should the federal government ever waste its effort on jobs American industry can do better, especially when there are so many other problems in the country and the world that only the government can deal with?

The answers to all of these questions are important to you—because they can help curb further waste of your tax money.

Investor-Owned Electric Light and Power Companies | *Keep America Powerful*

Company names on request through this magazine

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE Freeman

A MONTHLY JOURNAL OF IDEAS ON LIBERTY

SEPTEMBER 1961 Vol. 11 No. 9

LEONARD E. READ *President,* Foundation for Economic Education

PAUL L. POIROT *Managing Editor*

THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a nonpolitical, nonprofit educational champion of private property, the free market, the profit and loss system, and limited government, founded in 1946, with offices at Irvington-on-Hudson, New York. Any interested person may receive its publications for the asking. The costs of Foundation projects and services, including THE FREEMAN, are met through voluntary donations. Total expenses average $12.00 a year per person on the mailing list. Donations are invited in any amount—$5.00 to $10,000—as the means of maintaining and extending the Foundation's work.

Copyright, 1961, The Foundation for Economic Education, Inc. Printed in U.S.A.

Additional copies, postpaid, to one address: Single copy, 50 cents; 3 for $1.00; 25 or more, 20 cents each.

Permission is hereby granted to anyone to reprint any article in whole or in part, providing customary credit is given, except "What Liberty Is," and "Wilhelm von Humboldt."

Any current article will be supplied in reprint form if there are enough inquiries to justify the cost of the printing.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

JOE HOCHDERFFER

THE CASE FOR SAYING NO

THE SPEAKER was saying: "And in conclusion, ladies and gentlemen, let's be progressive. Let us shake off our lethargy to meet the challenges of our time. Let us embark upon bold new ventures in the face of the dark fears of our age. Let us free the world from want, from misery, from need. Let us shun those who would put their own selfish interests before the welfare of mankind. Let us ignore those knaves of negativism who have become apathetic to the problems of their fellow men and who wallow in their own wealth and greed. Let us push forward into new frontiers. Let us be positive."

The speaker was saying this last night at a meeting of the League of Women Voters. He was saying it this noon at a Rotary luncheon. He was saying it before the PTA, the Chamber of Commerce, the AFL-CIO local, the Urban League, the United Chest Council, and before all the Federations of Progressive Dogooders who have been federated for progressive causes across the length and breadth of this nation of ours. "Let us be positive," he was saying, and saying, and saying.

A thousand times I have sat through this speech urging me to get positive. I have mapped political campaigns where we have spent days trying to write a "positive" platform and have ended up saying, not what we wanted to say, but something else entirely, simply because we had to be "positive." I have labored for days drawing up a position for our Chamber of Commerce to take on pending legislation, only to have some mem-

Mr. Hochderffer is Staff Executive of the Chamber of Commerce of Fort Wayne, Indiana.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ber of the board of directors – who arrived late for the meeting – stand up and say: "That's okay, but it's too negative."

Positive Discipline!

As a member of a college faculty, I have been urged to take a "positive" approach toward the discipline problem – whatever the positive approach toward discipline might be. As a parent I have been cautioned not to punish but to set a "positive" example for my children. I have been "positived" sick. Of that you can be positively positive.

I don't know when the positive bug bit us, but we have become a nation of "yes" men. To be modern is to be positive. If you're against even the wildest government spending scheme, you're opposed to progress. If you take a stand against welfare benefits, you hate your fellow man. You're unchristian, in fact. If you question whether the social security system is a proper function of government, you're a purple people hater. You've got to be *for* something. Or else you're an "anti." You're old-fashioned. You're not with it, brother, with it.

I am sure I will be shunned by the progressives, ignored by the positives, treated as a leper by the progressive positives, ridiculed by the positive progressives, pitied by the progressive progressives, and positively despised by the positive positives. Nevertheless, I take my stand. Let's get negative.

Please note that as I develop my argument, I shall be on the defensive. That suits me. It states my position clearly and classifies my opponents exactly as I think they are.

Maybe our generation of "yes" men would change the rules. In debates, for example, we would have the affirmative side and the more affirmative side, or the almost affirmative side. "Give me a straight answer," we'd say, "is it yes or hell, yes?" Yes, we have yes bananas. Baloney!

I'm "agin" the "yes" men. With the current definition of progress being all the high-minded schemes of godmother government, state welfarism, federal aid, gimmicks, handouts, subsidies, and supports, I am opposed to progress. I am anti-big government. I am against Social Security and the progressive income tax. I say "no" to price supports or wage controls of any kind. I am not unchristian or anti-American. I am not a "yes" man. And I am not alone.

Pardon me while I call off the names of the players on my team.

"Washington, Hamilton, Franklin, Madison, Rutledge, Pinckney . . ." They signed the Constitution. Remember it? The greatest

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

document for freedom ever devised by man. It's negative from the word "no."

"Congress shall make *no* law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

In those days the freedom founders knew you didn't have to be *for* something by spelling out a positive progressive program. You had to be suspicious of big government and you limited it by spelling out what it could *not* do. Man then was free to go about his own business in his own way, so long as he did *not* infringe on the rights of his fellow man. Let's see what else our team's first string said:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall *not* be violated . . . *nor* shall private property be taken for public use without just compensation . . . Excessive bail shall *not* be required, *nor* excessive fines imposed, *nor* cruel and unusual punishments inflicted . . . The enumeration in the Constitution, of certain rights, shall *not* be construed to deny or disparage others retained by the people . . . The Privilege of the Writ of Habeas Corpus shall *not* be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it . . . *No* Bill of Attainder or ex post facto Law shall be passed . . . *No* Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken."

The Constitution is just one big loud "no" to all efforts of the State to interfere with the God-given rights of free men.

The Ten Commandments

Any more support? Some. From a fellow named Moses. He carried a message from God to the children of Israel. Remember it? It's negative, nine to one.

"You shall have *no* other gods before me.

"You shall *not* make yourself a graven image, or any likeness of anything that is in heaven above, or that is in the earth beneath, or that is in the water under the earth; you shall *not* bow down to them or serve them; for I the Lord your God am a jealous God, visiting the iniquity of the fathers upon the children to the third and the fourth generation of those who hate me, but showing steadfast love to thousands of those who love me and keep my commandments.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"You shall *not* take the name of the Lord your God in vain; for the Lord will *not* hold him guiltless who takes his name in vain.

"Remember the sabbath day, to keep it holy. Six days you shall labor, and do all your work; but the seventh day is a sabbath to the Lord your God; in it you shall *not* do any work, you, or your son, or your daughter, your manservant, or your maidservant, or your cattle, or the sojourner who is within your gates; for in six days the Lord made heaven and earth, the sea, and all that is in them, and rested the seventh day; therefore the Lord blessed the sabbath day and hallowed it.

"Honor your father and your mother, that your days may be long in the land which the Lord your God gives you.

"You shall *not* kill.

"You shall *not* commit adultery.

"You shall *not* steal.

"You shall *not* bear false witness against your neighbor.

"You shall *not* covet your neighbor's house; you shall *not* covet your neighbor's wife, or his manservant, or his maidservant, or his ox, or his ass, or anything that is your neighbor's."

Of the Ten Commandments, only "Honor your father and your mother" contains no negatives. God's directives spelled out what his people should *not* do, thus leaving them a wide latitude of choice for their "positive" programs of life. Incidentally, the Ten Commandments didn't run into trouble until the amendments and court decisions started cluttering them up with positive, progressive hogwash.

Some Other Samplings of Christian Negatives

Was it our speaker back at the beginning who called our negative attitude "unchristian"? Let us see what kind of a "yes" man Christ was.

One of his earliest recorded statements was to Satan in the wilderness. "Thou shall *not*," he told Satan, "tempt the Lord thy God."

And through the gospels:

"Man shall *not* live by bread alone.

"I am *not* come to destroy, but to fulfill.

"Take heed that you do *not* your alms before men to be seen of them.

"Let *not* thy left hand knoweth what thy right hand doeth.

"Be *not* like the hypocrites.

"When you pray, use *not* vain repetitions.

"*No* man cometh unto the Father but by me.

"Lay *not* up for yourselves treasures upon earth.

"*No* man can serve two masters

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

. . . you *cannot* serve God and mammon too.

"Judge *not* that you be *not* judged.

"I am *not* come to call the righteous.

"He that taketh *not* his cross and followeth after me, is *not* worthy of me.

"He that is *not* with me is against me.

"There shall be *no* sign given unto this generation."

Christ doesn't lay out any planned way of life for his disciples. How humdrum! He cautions them on what *not* to do, thus making them the freest men possible.

The recorded words of Christ contain more negative statements. "Fear *not*" is one of the most oft-repeated quotes of our Saviour. "Lead us *not* into temptation," he teaches us in his prayer. We begin married life with his words ringing in our ears: "What God has joined together, let *not* man put asunder." What better golden rule in our family life than "Suffer little children and forbid them *not* to come unto me"?

"*Not* as I will," said Christ in Gethsemane. And, finally, on the cross: "Father, forgive them for they know *not* what they do."

Instead of "No taxation without representation" as the freedom clarion of the American colonists that was louder than the shot heard around the world, suppose they had said: "Let us have taxation as long as you let us have representation."

Case rests. ◈

EXPLOITATION

G. M. SNELGROVE

WE CONTINUE to use words in a haphazard way without being quite sure of their entire meaning. Consider the word "exploit." It has acquired an almost felonious implication. The *American College Dictionary* gives it first as a noun meaning, "an heroic deed," and that is as it has always been. But the verb means, "to turn to practical account; utilize for profit; use selfishly for one's own ends." Apparently, the last third of the meaning has kidnapped its two companions. It really isn't as nasty a word as I had thought.

If I should borrow money to

Mrs. SnelGrove of Riverside, California, identifies herself as "a very average person nearing retirement age, who always has lived with freedom and wants to keep it that way."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

start a small manufacturing business, is the lender exploiting me? He certainly isn't financing me for free. He is doing it selfishly to make money for himself. Assume that my business prospers and I hire an assistant. I pay him the going market wage, but I make additional profit by reason of his help. Am I exploiting him? The more people I hire, the more money I make. Is there anything wrong with that? I wouldn't expand if I were not selfish; I can make more money that way. There is no point in it otherwise. If I am in business to make money, and that would be the only reason, is that too selfish? Since I pay at least the market wage rate, I'm probably a benefactor to those I hire.

What if I should become worried about exploiting all these people? I could dismiss them and close the place. (This wouldn't be likely to happen, until I had made enough money to keep me comfortably for the rest of my life.) All my assistants would be out of work. Their lives would be disrupted and they would lose such security as their work for me had afforded them. Any person needing a product like mine would have to pay more for it. Supply and demand would take care of that.

The banker, who loaned me the money in the first place, benefited me, my assistants, and all the customers for my products. Though the banker acted from a selfish motive, he is a fine fellow, really! I, in turn, benefited those I hired and those to whom I sold, helping myself in the process. My assistants helped the entire community by working and trading there. The government collected taxes from all of us.

I have persuaded myself that I ought to continue to exploit these people, even if I have enough money for my needs – unless, of course, the profits fall so low that I can make more by investing my property in another way. ◈

IDEAS ON LIBERTY

Don't Blame the System

IF ANY CONTINUE through life in the condition of a hired laborer, it is not the fault of the system, but because of either a dependent nature which prefers it, or improvidence, folly, or singular misfortune.

ABRAHAM LINCOLN, Agricultural Address, Milwaukee, Wisconsin, September 30, 1859

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SYLVESTER PETRO

FREEDOM in society is necessary to man because he can in no other way realize himself, or even be himself. As the great German thinker, Wilhelm von Humboldt, has said: "The true end of man – not that which capricious inclination prescribes for him, but that which is prescribed by eternally immutable reason – is the highest and most harmonious cultivation of his faculties into one whole. For this cultivation, freedom is the first and indispensable condition." This insight explains much. Men have painfully and awkwardly and courageously built free societies because it was only natural for them to do so. They have found that freedom in society is after all the best means of achieving their most cherished goals.

If all this is true, a stunning conclusion must be drawn: *the free society has a much stronger claim to inevitability than communism can boast.* The only alternative is a frustrated mankind doomed to a perpetual failure to realize itself. Communist Russia asserts that it is the society most congruent with the nature of man. It asserts a record of fulfillment already superior to that of the free society. But in terms of either the nature of man or of the historical record, Communist Russia and its fundamental ideology, Marxism, are wrong.

Consider the nature of man. This creature has been described in many ways, but I believe man is essentially described as of all earthly creatures the one with the widest known range of desires

---

Dr. Petro is Professor of Law at New York University School of Law. This article is adapted from one of a series of lectures delivered last May in Buenos Aires under the auspices of Centro de Estudios Sobre la Libertad, Dr. Alberto Benegas Lynch, President.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and the greatest capacity to satisfy a wide range of desires.

Man's yearning in the spheres of the mind, the spirit, and the senses is apparently limitless. Men differ among themselves in the relative strength of these desires; not all artists are thinkers, not all priests are artists. But Albert Einstein took much comfort in his violin, and the most ignorant workingman delights in the moving pictures or the companionship of the tavern, and he finds solace in religion. The infinite variety which is to be found in all human societies is a reflection of the character of the human being. Within a radius of one mile from Times Square in New York, or Piccadilly Circus in London, or Place Vendome in Paris, or Piazza Venezia in Rome, one can find the empirical evidence of the fantastic diversity of the human character.

Equally distinctive is man's capacity to select, adapt, and even create means to serve his diversified ends. No other creature comes close to the instrumental dexterity of mankind with nature-given means, let alone the capacity to create new means. Fitting existing means and creating new means to serve his ends is as much a distinctive attribute of man as his apparently limitless appetite for the things of the body, the mind, and the spirit.

Full Use of Potentialities

If the goal of mankind is to realize the potentialities of the species to the fullest, it becomes necessary to insure to all men the fullest possible personal freedom. Confining freedom of action to a few, in the totalitarian way, is simply unintelligent – not to mention its immorality; for such a limitation arbitrarily confines the quantity and quality of service to society which might otherwise be forthcoming.

John Stuart Mill put the case for personal freedom – and for the free enterprise system – in its ultimate form when he said: "The only constant and unfailing source of progress is liberty, for by it there are as many centers of improvement as there are individuals." Compulsion may force men to produce as much as their masters insist upon. I say "may," for it is doubtful that unfree men or slaves ever produce as much as their masters wish, even under the lash. But what is not doubtful at all is this: compulsion will not make men produce more and better things than the masters themselves wish.

The theoretical maximum of production in an unfree society, therefore, is limited by the imagination of the few who are in control. Since these few are not likely to be the most productive or crea-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tive members of society, that theoretical maximum is undoubtedly far beneath the potential of the society. In the free society, on the other hand, the theoretical maximum is limited only by the productivity and creativity of the most fertile persons, acting singly or in combinations with capacities to produce and create which are so prodigious as to defy a priori conception.

Quite apart, therefore, from the insuperable technical economic difficulties which Professor Ludwig von Mises has demonstrated in his great work, *Socialism*, a compulsory, totalitarian society is doomed to inferiority by a much simpler and more evident fact. Its productivity must be low because it systematically limits creativity and full productivity to necessarily only a few. It cannot be fully productive until it is fully free, and it cannot be fully free till it abandons the central socialist principle, *viz.*, public ownership and operation of the means of production.

The Russian Records

We have been hearing a great deal lately about the superior productivity of the Soviet Union, especially as measured against the United States of America. But for the fact that so many people are impressed by the Russian claims, little time should be spent on this matter. For the truth is that the Russian performance is disgraceful, even when compared to the only-partly-free economy of the United States. If the economy of the United States were rid of the debilitating influence of what is probably the most vexatious structure of government regulation and the most burdensome taxes in the world – including Russia – we should probably be out-producing the USSR by an even greater margin than the present one.

There are in fact no areas in which Russia, with more people and a larger land area and longer and harder work, comes even close to the productivity of the United States. The able economist, Karl Brandt, has made a comparison in agricultural production. Of United States agriculture, he says: "It produces in a year with no more than 8.5 per cent of the national labor force, or 7.4 million workers, over 200 million tons of grain, 3 million tons of sugar, over 20 millions tons of meat and eggs, over 60 million tons of milk, 35 million tons of fruit and vegetables, or 315 million tons of edible products, plus 3.5 million tons of cotton, and nearly 1 million tons of tobacco." (THE FREEMAN, April 1961. p. 31.)

Of Russian agriculture, Mr. Brandt notes that "after 40 years of brutal experiment of collectivization, Soviet Russia produces

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with 4½ times the number of farm workers (33 million) one-third as much meat (7 million tons) as do our farmers; and even of grain, most of which they eat rather than feed to livestock, they produce only 60 per cent as much as our output. This in spite of an abundance of natural resources in Europe and Asia. One American farmer produces food for himself and 24 others. A Soviet farmer produces enough for himself and 4 others." In short, the relatively free United States farmer is six times more productive than the enslaved Russian farmer. Think of what the ratio would be if the farmers of the United States were freed of all government control!

Per capita productivity in the United States exceeds that of Russia to a similar degree in all other areas – except probably in government, where, as might be expected, per capita productivity is the same all over the world: very low. Perhaps it is just as well.

Deceptive Percentages

But, the Russian apologists say, Russia's rate of growth exceeds that of the United States, with Russia claiming annual growth rates of something over 6 per cent, while the United States is growing only at the rate of 3 per cent or less.

This is the most spurious kind of comparison. For one thing, it presupposes the accuracy of Russian statistics, something which even the Russians themselves periodically disavow. For another, it neglects the difference in the rate-base. A child of one multiplies his years by 100 per cent on his second birthday, while his brother of three multiplies his years by only one-third on his fourth birthday – but both have grown only one year older on their respective birthdays. Russia claims a steel-making capacity of some 70,000,000 tons per year, suggesting something like a 500 per cent growth in capacity in the last twenty years. The capacity of the steel industry in the United States has almost doubled in the same twenty years. But that increase, it should be noted, amounted to as much as the total steel capacity claimed by the Russians today, or about 70,000,000 tons; for the total steel capacity of the United States today falls just short of 150,000,000 tons, as against 80,000,000 tons in 1939.

But even if Russia should ultimately produce more steel than the United States, this would prove nothing concerning the relative desirability or productivity of the free society as against the unfree society. The excellence of the free society does not lie in its

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gross production figures in any particular industry. The supreme excellence of the free society lies rather in its axiomatic response to the wishes of its members. The fact that Russia is producing 70,000,000 tons of steel each year means only that its masters have brutally directed the people to such a rate of production of steel. Left free, the people might have preferred to direct their efforts to other areas of production and consumption. Had the people of the United States expressed the appropriate buying intentions in the free markets which prevail there, the steel industry would have expanded to the degree necessary to supply the demand, whatever that demand might be.

Other Measures of Growth

In comparisons between Russia and the United States, no one ever mentions the aviation industry, or school construction, or the motel (motor-hotel) industry. In the ten years between 1949 and 1959, the commercial aviation industry in the United States more than trebled in terms of number of passengers carried — 16,723,000 passengers in 1949 and 55,875,000 in 1959. I have been unable to find a comparable set of Russian figures.

Many in the United States are complaining about the alleged shortages in public school construction. Yet annual expenditures on school construction have grown more than 500 per cent in less than ten years, from $411,598,000 in 1947 to $2,850,984,000 in 1956. Again, comparable figures from Russia are unavailable.

With private citizens owning few if any automobiles in Russia, one could not expect that nation to have enjoyed any growth in the supply of motor hotels. On the other hand, even the less observant motorists in the United States are stunned by the fantastic increases each year in the number of comfortable, convenient, and even beautiful motels which are to be found wherever one looks, even on secondary roads. I do not have exact figures here, but I suspect that there may be at least fifty times as many units in the motel industry as there were fifteen years ago in the United States. The significant point is that a strictly private, personal desire has been accorded a royal fulfillment. The average American citizen on a motor trip stops his car within a few minutes of his first feeling a desire to rest, and with little thought and no effort drives into a handsome, clean, sanitary, and air-conditioned motel in which he and his family may be as comfortable and as private as they are in their own homes.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Commercial aviation, schools, and motels may not be the most elegant materials to illustrate the congruency of the free society with the nature of man, but they are serviceable. The prodigious growth in these areas in the relatively free United States over the last ten or fifteen years demonstrates that what people want is what the free society will deliver. Its gross productivity in every area is limited only by the wishes and the capacities of its members. To say that an unfree society can out-produce a free society is to voice a contradiction in terms. To say that an unfree society will produce more of the various things that people want than a free society will is even more obviously absurd.

For far too long a time communism has profited from the insupportable assertion of its historical inevitability. Mr. Khrushchev to the contrary notwithstanding, our grandchildren are not going to live in a communist regime. Russia is not going to bury us. If there is any inevitability at all, it is in favor of freedom. If men survive as men, they will survive in freedom, for they can do nothing else and remain men. If the Communists bury us, as they boast of doing, they will bury themselves, too. An ultimate victory for communism necessarily involves the ultimate defeat of the human race. Freedom is the natural condition for realization of the human potential. It is time for the lovers of freedom to claim what is rightfully theirs: the only future which men can have as men. ◈

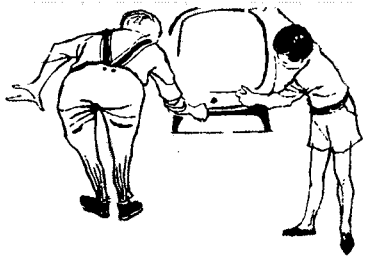
IDEAS ON LIBERTY

High Principles

IF WE WORK UPON MARBLE, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble to dust. But if we work upon men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellow men, we engrave on those tablets something which no time can efface, and which will brighten and brighten to all eternity.

DANIEL WEBSTER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



DOUBLE JEOPARDY

or — BUSINESS INCENTIVES ON THE NEW FRONTIER

When shadows cast their velvet cloaks
Across the city slums,
Old Kaspar settled in his chair
And idly twirled his thumbs,
While Peterkin and Wilhelmine
Looked at the metaphoric screen.

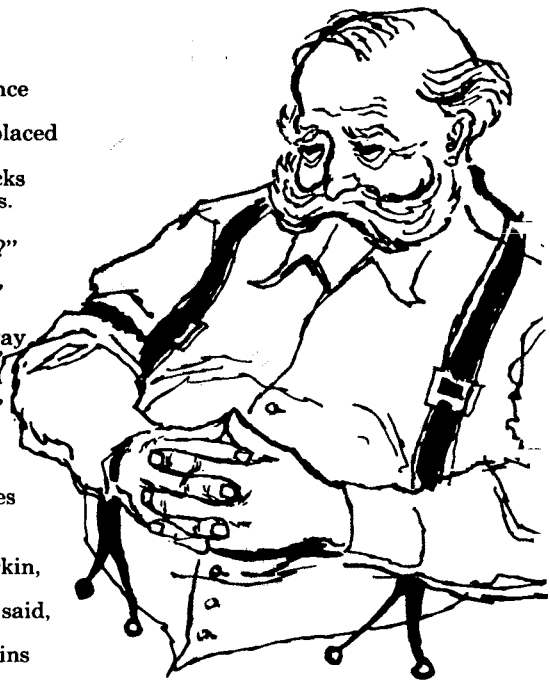
They watched a line of men advance
Toward a mountain crest,
Where some with scaling ladders placed
Ahead of all the rest
Were straining up the rugged tracks
With double burdens on their backs.

"Is that a mountain-climbing race?"
The little children cried.
"It's Private Business Enterprise,"
Old Kaspar soon replied.
"They're off to find the quickest way
To cheaper goods and higher pay."

"What happens if a climber falls?"
Cried little Wilhelmine.
"His creditors," Old Kaspar said,
"Will strip his business clean,
While tax collectors gnaw the bones
Of any property he owns."

"What's in the loads," asked Peterkin,
"Upon the climbers' backs?"
"They're forced to carry," Kaspar said,
"A double profits tax.
The Planners take the greatest pains
To limit private business gains."

"Can anyone at all survive
A climb so steep and rough?"
"A few survive," Old Kaspar sighed,
"But lately not enough.
So now the Planners all opine
That Enterprise is in decline."



H. P. B. JENKINS
Economist, Fayetteville, Arkansas

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WHAT LIBERTY IS

WENDELL J. BROWN

In this analysis of the nature of liberty, Mr. Brown traces the origins of the basic concepts of the "idea" of liberty which was set forth in the Declaration of Independence and later embodied in the Constitution.

CULTURALLY, we have reached a stage in America in which we assume that we know what liberty is, could we but say or could we but take time to say. We take liberty for granted in the same way that we take electricity for granted. Each is common and useful to us. No one really knows or has to know what electricity is for it to be and to continue to be a common and useful product.

But liberty, different from electricity, must come from within ourselves and to produce it we must know what it is – its spirit and its structure. This short article is the result of my unwillingness to assume that I know what the full import of liberty is.

An understanding of the full import of the concept of liberty requires that we examine its source. The words of our Declaration of Independence to the effect that man is "endowed" by his "Creator" with certain "unalienable rights" among which are "life, liberty, and the pursuit of happiness" were not entirely the words of Thomas Jefferson, but were built from the words of John Locke and other philosophers. The insertion of the phrase "endowed by his Creator" in Jefferson's rough draft resulted from a suggestion made either by a member of the Committee of Five or from the floor of Congress after

Mr. Brown, admitted to the Illinois Bar in 1926, practices law in Chicago. This article first appeared in the *American Bar Association Journal*, March 1961.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Jefferson's draft came before it for debate and adoption.

In early America the acceptance of the thought behind the words "endowed by his Creator" was much broader in its base than either the acceptance of Jefferson or the acceptance of the Continental Congress. Its acceptance came from the individual convictions of the bulk of the three millions of people in the then American colonies.

Most of these early Americans, our forefathers, had never heard of John Locke. But an unusual number of them had read their Bibles. In them they had read that men should "render . . . unto Caesar the things which are Caesar's; unto God the things that are God's." The basic idea that each individual has the God-given right to an inner life was not new to them. Thomas Paine merely put their basic thought into words. This basic thought was and still is that political sovereignty derives from our Creator and resides essentially in the people. This idea, even then more than 1,700 years of age and still alive, is that each man, be he a Caesar or a George III, is equally bound to acknowledge that he must render unto God "the things that are God's."

Also, our forefathers knew that they couldn't sit around on stools, or even sit in pews, and wait for God to bring liberty to them. With respect to that basic right they knew that God acts discernibly through a responsible people. They had learned that fact the hard way. The great paradox in the concept of liberty is that man is endowed by his Creator with the right to liberty, and yet to have it he must earn it. This paradox, elusive to some, did not bother our forefathers. Overwhelmingly, they understood and accepted the paradox contained in Paul's comment, "I laboured more abundantly than they all: yet not I, but the grace of God which was with me." At the end of that first year at Plymouth in 1620 only fifty of the original 102 survived. What the survivors attained thereafter they knew would have to be earned by them, even though they knew that they could not earn anything save by the grace of their Creator.

Why did our forefathers ascribe this unalienable right to liberty to their Creator? They acknowledged that they were "endowed" by their "Creator" with the "unalienable" right to "liberty" because they knew they had it and it was their faith, a hard faith that they were willing to fight and die for, that there was no other source for it.

And I venture to think that we

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cannot escape the fact that such hard faith furnishes us with the emotional catalytic element in the concept of liberty which is required to make it an equally hard political fact. Emotionally, we have to get outside ourselves to attain a rational perspective of liberty which shows us what it is. Once we have done that, we can not help but know that there is a Creator who has endowed us with these individual inner lives which we ourselves could not have created and yet which we have.

Egoism and Humility

Paradoxically, egoism and humility have a place in the concept of liberty. Egoism stems from the knowledge that each individual has the power of choice. Humility stems from (1) the knowledge that such power of choice must be God-given and (2) the faith that it is a part and parcel of a divine purpose. Under the aegis of liberty, ego and humility complement each other. They walk hand in hand.

When Lincoln said that ours is a nation "conceived in liberty," he understood and his audience understood that our nation was born of the idea (1) that there is in each individual a God-given inner life which is worthy of preservation and protection and (2) that governments should be instituted among men to preserve and protect such individual inner lives. Hence, our federal Constitution declares that it, our Constitution, is ordained and established "to serve the Blessings of *Liberty* to ourselves and our Posterity."

It is thus that we in America have philosophically and politically *immersed* our individual *lives in a stream* of life which may have continuity and which at least makes sense.

Liberty, then, is the acceptance of the idea (1) that there is in each person a God-given inner life which is worthy of preservation and protection and (2) that a primary job of government is to preserve and protect such individual inner lives.

If all of the "bigs" of our day – big business, big distribution, big agriculture, big labor, big government, big foreign powers, big religion – must continue to pay homage to the idea that each individual has a God-given inner life and a right to that God-given inner life, we shall continue to have liberty – otherwise not.

Its Unique Quality

Liberty has a unique quality which enables it to avoid the historical graveyard in which many dogmas are buried, dogmas for which men would once have died. Its unique quality is that it seeks

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to accomplish no fixed end, but only seeks to provide a process of living by which each man can work out for himself his own life and his own conception of his own destiny, provided he stays within an area which will allow others to have such right equally with him. Inasmuch as its primary object is to furnish a fertile field for reason to function, reason will never destroy it. It is bound to survive rational advances in science and philosophy. Dogmas die because all human knowledge is imperfect, and yet man is a rational being. Liberty lives because reason cannot do without it.

Yet reason is not placed on a pedestal by liberty. Rather, liberty takes man as he is, an emotional, volitional, physical, and rational entity. It is never embarrassed by man's imperfection, but, like a patient and understanding friend, is tolerant of those whose thoughts reach beyond their grasp and is just to those whose actions encroach upon the rights of others.

Its Heroes

It has no heroes save men of commonplace caliber, men who in a greater degree than others have commonplace virtues, men who are decent, free, and God-fearing. In the concept of liberty, a great man of Napoleonic stature is a public calamity and must be dealt with on that basis whether he be a too-aggressive foreign dictator or a too-aggressive labor leader or a too-aggressive person or group of persons of any sort.

The torch of liberty throws its own light, and they who would purport to act in its name immediately have the burden of persuasion thrust upon them by those who understand what liberty is. To sustain this burden they must prove more than "pureness of motive." They must never put down the light of liberty under a promise to pick it up again *in futuro*.

Its Dual Character

Liberty is a requirement of a complete and functional living which is an inescapable fact where human beings live, want to live, and have to live in relationship with each other. Yet it must be earned by a people who would possess it. It must be earned in the same way that the graceful and awe-inspiring freedom of movement of a skillful ice skater is earned, by a self-discipline as sharp and as keen as the steel upon which the skater relies. Man cannot have liberty unless he accepts the moral task it imposes. It is a combination of self-assertion and self-denial, of independence and responsibility. Inherently, it cannot be a gift

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which has no mutuality. When a man thinks that he alone can make a gift of liberty, he has lost his sense of liberty and should not be allowed to carry its torch. Men cannot have liberty by the grace of one person alone.

Liberty recognizes that Darwin was a man and therefore had within himself "the spark of liberty" which is common "to the mind and spirit of man." Liberty does not accept or reject the theory of evolution. Rather, it observes that each man is endowed with a spark of willfulness which makes him individually different from any other person. It observes the ever-living process of change and hence knows that it must never cease its fight to preserve that "spark of liberty in the mind and spirit of man." The quotations are the words of Herbert Hoover, our oldest living ex-President, a man who has an unusually high degree of understanding of what liberty is.

Liberty presupposes an individual who has more than an embryonic sense of independence and more than an embryonic sense of responsibility. In fact, liberty in its totality presupposes a nation made up of a sufficient number of people who have an individual sense of independence and sense of responsibility to make it work. There must be enough of these individuals to make liberty the dominant characteristic of a particular group's way of life. In practice the idea of liberty must always have this dual aspect of independence and responsibility. To attain independence there is always the responsibility to fight for it and to know it is worth fighting for.

The American Ideal

In the search for a firm understanding of what liberty is, time and again I have returned to the thought that whenever men have dared to think in terms of a free nation for themselves and their posterity, they have thought in terms of a just and righteous God. We know that there is a force greater than our own which created the world in which we live and that this world includes human beings endowed with a power of choice. We cannot understand the concept of liberty without this objective viewpoint of that which is within ourselves. If we are "endowed" with the "unalienable" rights which are the essence of liberty, then there must be a Creator who thus endowed us. Once we see ourselves from the perspective of our Creator, we see moral values within ourselves which include the cultural idea of liberty.

At age 78, Kerensky smiles at

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Khrushchev's reference to God because he recalled Karl Marx's saying that "religion is the opium of the people" and that Lenin has declared "God is a complex of ideas engendered by the ignorance of mankind. . .religion is a kind of spiritual vodka in which the slaves of capital drown their human shape and their claims to any decent life." Yet historical time, as distinguished from research laboratory time, has proved that if we would have liberty – a chance for an individual decent life – we must appreciate that an individual sense of dignity is best attained and only attained by a mature faith that we have been thus endowed by our Creator.

We are not hypocrites because we do not always live up to the American ideal of liberty. There are limitations inherent in all human endeavor, and the practical premise of structural liberty is that human beings are both good and bad. Otherwise there would be no need for structural liberty which consists of governmental restraints and governmentally enforced absence of restraints. In the words of Carl Schurz, a senator in Lincoln's day:

> Ideals are like stars; you will not succeed in touching them with your hands. But like the sea-faring man on the desert of waters, you will choose them as your guides and following them you will reach your destiny.

John Adams, in his eventide correspondence with his friend, Thomas Jefferson, referred to the fact that the preservation of liberty by government is a complicated administrative task. Each of them had been at the helm of our ship of state and each of them knew the tribulations which the state "conceived in liberty" must perforce undergo.

Constitutional Background

Under the American ideal of liberty, we are immediately beyond the question of whether any government is necessary for the preservation of liberty. By the time our Constitution was adopted, effective in 1788, by a process of trial and error extending from the days of John Smith to the Articles of Confederation, we had found that the preservation of liberty requires a form of government which has coercive power, one that can deal effectively to protect individuals or groups of individuals within its jurisdiction from each other and one which can effectively protect the legal entity of the nation from outsiders. We found that even by fleeing to a new country we could not escape that fact. Nor could we escape that inexorable fact by casting off all ties with all government.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We did not reach this stage in our thinking until we had to and we were reluctant to reach it at all. The hard thinking, practical, disputatious, idealistic, and differently constituted delegates who met in Philadelphia from May to September of 1787 and there formulated our federal Constitution were confronted with the fact that the only alternative to the granting of power was dissolution and loss of their liberty.

These 55 men at Philadelphia had no use for any form of government except to preserve their individual liberties. The federation wasn't working. Accordingly, they had to

> form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence . . .

all to "secure the Blessings of Liberty" for themselves and for their posterity.

Individual liberty, and there is no other, insists upon the right of each individual to seek his own answers. It combats the idea of either a government which would create a mass hypnosis or one which would stifle criticism of the government. Many years ago Jefferson stated the ideal of liberty in these words:

> This institution will be based on the illimitable freedom of the human mind. For here we are not afraid to follow truth wherever it may lead, nor to tolerate error so long as reason is left free to combat it.

More than one hundred years later Justice Holmes reiterated the same thought when he wrote from the bench that our concept of liberty is an inspiration to endeavor that encourages "the free trade of ideas" and which is based on the rational faith:

> that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution.

Without these individual inner lives and the right to them there is no market in which truth can be tested. There is only oblivion.

Our Constitutional Heritage

With the premise that liberty is only for a people of whom the majority are individually independent and responsible, our forefathers have (1) adopted a federal Constitution; (2) provided therein that it "shall be the Supreme Law of the Land" and a Supreme Court to enforce it; (3) provided for the reposing of legislative, executive, and judicial powers in separate governmental bodies; (4)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

provided for a system of checks and balances between these separate powers; (5) provided for the preservation of the idea of "federalism" or state's rights; and (6) provided a Bill of Rights. This instrument our forefathers conceived and made a living document for themselves and, insofar as they could, for us.

But the effective promise of liberty is not contained in our Constitution but in the indwelling spirit of each of those who cherish it. Each generation must remake the promises contained in a constitution or it loses its vitality.

In the process of living, each day is a new day and liberty must be found there. A constitution which in unequivocal language guarantees individual liberty is not enough to assure its preservation. No matter how a constitution is worded, history proves that it can be lost or become meaningless. Even the three sturdy rules of construction, which provide that to know any part of a constitution's meaning it must be read (1) in its entirety, (2) giving common speech and common understanding meanings to the words used, and (3) with the circumstances under which it was made in mind – are not enough to preserve a constitution.

Nor can we rely solely on an independent judiciary because the Supreme Court must have a justiciable controversy on its docket before it can act and its actions may become a colossal futility. The executive and the legislative branches are equally the custodians of liberty. They are equally the active bailees of its owners, the people.

In the desert of time there are strewn many constitutions whose skeletons remain to tell us that if we, the people, would be free, we cannot merely enact a constitution and then rest.

Many sovereignties, now dead, started with glorious words of liberty in their organic laws. In 1860 the Argentine nation adopted a constitution for the stated purpose of "securing the benefits of liberty to ourselves, our posterity, and to all persons who may desire to inhabit the Argentine soil." The Italian constitution of 1848 provided in Article 26 that "individual liberty is guaranteed." The constitution of Mexico, adopted in 1857, provided that "in the Republic all are born free." The fundamental laws of the Russian Empire, adopted May 6, 1906, provided, after several bows to the sacred and inviolable character of the person of the Emperor, that "the domicile of everyone is inviolable" and that "property is inviolable." The constitu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion of the Spanish monarchy of 1876 provided that "no one shall be deprived of his property except by the competent authority, and for a proved cause of public utility, always after due compensation." All of these sovereignties have been replaced. Words even in organic laws are not sufficient to preserve the liberty which the words espouse.

Liberty Analytically Resolved

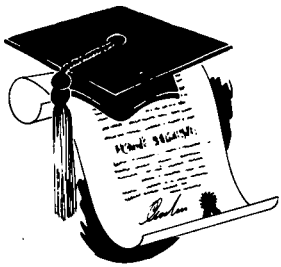
There are those who say they believe there is no God. There are those who believe there is a God, a Creator, who has no time for man. There are those who believe there is a God, and, like Socrates, say and believe, "I move not without Thy knowledge." Man is free because he has a God-given power of choice. With that power of choice he is also given a moral sense. Inasmuch as we have learned that government must be by consent of the governed, the majority must determine what the laws of that government shall be. Inasmuch as the majority has a God-given moral sense, liberty has a chance to succeed. Inasmuch as the majority also has a God-given choice, liberty has a chance to fail. Choice and moral sense by the majority are inseparable if we would have liberty.

Analytically thus resolved, liberty has no secrets. It is neither myth nor magic. It is not supernatural because to have it we must earn it. It becomes a dynamic political fact for a particular nation whenever and wherever there are a sufficient number of individuals within that nation with the required strength, courage, and intelligence to make it an ethical imperative for each of them in the conduct of their individual lives.

The basic and grand concept of liberty does not change. The same idea which conveyed itself into the minds of our forefathers is still there, a universal idea, available to all, and yet peculiarly our American heritage.

Children are playing in front of my house. One of them has a piece of chalk and is drawing a circle on the sidewalk. After their game has been played, rains will come and wash the circle away. Yet the geometrical concept of a circle will remain, and cannot be destroyed. However, even a nation blessed with a constitution which guarantees liberty may lose it. Yet liberty is immutable. Even after it is gone and only the hunger for it remains, there will be the concept of liberty which can never be destroyed. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



EDUCATION for INDIVIDUALISM

HENRY HAZLITT

WE OFTEN hear it said of a man – and too often, I am afraid, it is said disparagingly – that he is self-educated. The disparagement is justified only if the man's education has been narrow or lopsided. In the last analysis, *all* education is self-education. Every teacher knows that he cannot teach a student anything if the student does not *want* to learn it. But if the student does want to learn, he will learn what he wants from many more sources than the teacher himself. The teacher can guide; the teacher can point out the direction; the teacher can convey something of his enthusiasm for the subject; the teacher can give the student a thirst for knowledge, and an appetite for knowledge; he can give him a taste of it. But nine-tenths of what the student finally learns he will learn through his own efforts, through his own enthusiasm for the subject, through his own determination to learn.

What does it mean to be an educated man? What does it mean to have an education? It means, among other things certainly, to have acquired knowledge. Now the greater part of knowledge is necessarily knowledge of the past, sometimes of the very recent past, and sometimes of the remote past. It is astonishing to see to how great an extent this simple fact about knowledge is forgotten or overlooked today. Again and again

Mr. Hazlitt is the well-known economic analyst, author, and speaker. This article is condensed from a Commencement Address delivered at Bethany College in West Virginia on June 4, 1961.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

people speak disdainfully of the past. To know and to respect the past is not considered an achievement; it is treated as something of which we ought to be ashamed. If we hear one phrase more often than any other in present-day political and social discussion, it is that the time has come to break the fetters of the past. We are urged on to bold new thinking. Now I am all in favor of bold new thinking – provided it really is original, and provided it leads to better results than previous thinking. But such truly useful original thinking is not likely to be achieved by anyone without a profound knowledge of what we may call the previous state of the question. Again and again our zealous reformers are unintentionally reminding us of the truth of Santayana's dictum that those who have forgotten the past are condemned to repeat it.

If we know more than our predecessors, it is precisely because we have taken the trouble to learn from them what they discovered. A dwarf, as Coleridge reminded us, can see much further than a giant can, if he stands on the giant's shoulders. We can learn more than our predecessors knew, if we start from where they left off. If we ignore what they learned, we will have to learn it all over again.

Passion for Originality

There is a passion today for originality. Each of us would like to be considered an original thinker in his chosen field, an original scientist, an original economist, an original novelist, an original artist, an original composer. There is nothing wrong with this ambition. It is a laudable one. No one can make a contribution unless there is *something* original in what he says or does. But originality is most likely to come out of a deep knowledge of what has been found out in the past. The idea that we can ignore or disregard or throw out all that has been done or learned or thought by others gives no reason for the hope that our own work will prove of any lasting value.

What applies to knowledge and ideas applies as well to conduct and action. This, too, is in danger of being overlooked or forgotten. If there is one figure more lampooned and derided today than any other, in speeches, articles, and books, it is the Conformist. The thing to be, we are now told over and over again, is a Nonconformist.

Now I sometimes wonder what meaning some of the speakers and writers who proclaim this doctrine attach to their words. Suppose, for example, we were all, as we are being so urgently urged

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be, complete nonconformists? Just what would society and the world be like? If you tried to give a formal prom or a dinner party, you could not depend on anybody's showing up in a black tie; you could not even depend on anybody's wearing a tie at all. Your party might look like a masquerade ball.

It is not merely social and ceremonial affairs that would be impossible. It would be impossible to get people to work together. Nobody would arrive at the time set for a lecture or a meeting of any kind. Nobody would be willing to work regular hours along with his fellows, for fear of being called an organization man. It would be impossible even to get a symphony played – neither the strings, nor the woodwinds, nor the brasses, nor the drums would come in on time or stop on time. Every instrumentalist would keep his own tempo and play his own favorite melody.

This picture is a caricature. But we have to imagine theories or practices carried to their logical extremes in order to clarify our ideas. The fashionable demand that we defy the conventions has been carried to the point where the defiance itself has become the convention. Nonconformity has itself become the New Conformity. Let us have the courage to question the new dogma. Let us have the courage to admit bluntly that a certain amount of conformity is absolutely necessary to social cooperation of any kind; and that the whole progress of the modern world is made possible only by social cooperation. The free enterprise system, the free market, the division and specialization of labor, is a vast and intricate system of economic cooperation.

What is important is that conformity be to the greatest possible extent *voluntary*. In brief, nonconformity is *not* something to be sought for its own sake. On the contrary, it is only the existence of *voluntary conformity* in some basic things – conformity to the nation's Constitution and to its laws, conformity to the code of good manners, and above all conformity to basic moral principles – that can create or preserve an atmosphere of social peace, harmony, and cooperation, in which true individuality is free to grow and flourish.

True Individualism

And this brings us to our final question. What is true individualism? I hope I have made it sufficiently clear that it is *not* mere nonconformity, not mere queerness or eccentricity. It does not mean being a crank, or a freak, or a screwball. It does not mean that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

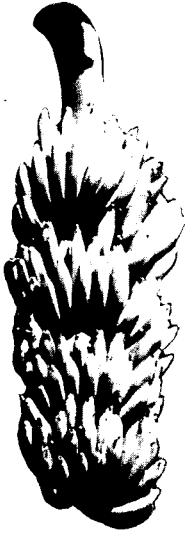
each of us should be constantly striving and straining to develop a so-called "original personality."

True individualism, as F. A. Hayek has pointed out in a fine essay, means the strict limitation of all coercion and compulsion. It is not anarchism. It does not deny the necessity for a certain amount of ultimate coercive power in the hands of government. It merely seeks to limit this coercion to the minimum amount needed to prevent coercion by others. Within a framework of law and order, of private property, of general rules and understood conventions, in which the behavior of others is reasonably predicable, true individualism favors the maximum of *voluntary* association and *voluntary* cooperation. What it opposes is the use of force or coercion to *impose* association or "cooperation."

It is necessary to distinguish this individualism from something that mistakenly passes under that name. And this is the Cult of Nonconformity – the demand that everybody's thoughts and actions must be "original," eccentric, and unpredictable. A society made up of such nonconformists and noncooperating individuals would drift toward disorder and anarchy. In despair people would demand a dictatorship, with the power to impose on society the order and cooperation that people refused to accept of their own free will. The demand for this false individualism, in short, leads toward the evils of collectivism and authoritarianism.

I have pointed to the necessity, in the interests of minimizing friction and maximizing social cooperation, of a certain amount of voluntary conformity in behavior. We need to emphasize this not only in the field of good manners, but above all, as I have said, in the field of morals. "Men are qualified for civil liberty," wrote Edmund Burke, "in exact proportion to their disposition to put moral chains upon their own appetites." We can put this in another form. Only to the extent that we are willing, as individuals, to impose upon ourselves self-discipline and self-restraint, can we hope in the long run to preserve our freedom from restraints imposed on us by others. A nation is fit for self-government only to the extent that the individuals who compose it have learned how to govern themselves. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



What Can a Banana Tree Do?

STANLEY YANKUS

ACTIONISTS for freedom are clamoring: "Let's wake the people up! Don't they know what's happening! There isn't much time left."

Last week I listened for an hour to one of the most prominent and distinguished advocates of freedom in Australia decrying the evil and corruption of the United Nations and urging the distribution of literature to expose the deeds of evil men of this generation.

As I listened, the path I had traveled during the past seven years unrolled like a movie before my mind's eye. I, too, had exposed the evil and corruption inherent in the United States Department of Agriculture and its programs. I had spent my time, money, and effort attempting to reform others by making speeches and distributing literature. I had sincerely believed that when the people found out the facts and the truth, corrective action would take place automatically. Like so many patriots, I had found solace in the words: "At least I tried to wake the people up. That's all I can do."

In front of my Australian home I have a banana tree. What can a banana tree do? A banana tree can grow. Discovering what I can do and what I cannot do is the simple lesson I learned from the banana tree. The path to freedom is not paved with photographs of evil and corruption. I wanted freedom but I did not succeed in attaining it. Why? I used the wrong method.

In the town of Warrnambool, Victoria, there is a clothing manu-

Mr. Yankus, a poultryman from Michigan, recently moved to Australia in protest against agricultural and other government interventions in the United States.
Illustration: Ewing Galloway, N. Y.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

facturer, Fletcher Jones, who began to beautify the grounds around his factory and make the site one of the most beautiful gardens in Australia. It is perhaps the most photographed spot on the continent, and even foreigners come to see it. This attractive garden has influenced and inspired the entire population of Warrnambool to beautify not only their own gardens and homes, but their lives and characters as well. A gardener is always a student of the Creator's handiwork.

Now let us assume that instead of improving his own garden, Fletcher Jones had begun a campaign of exposure. Suppose that every week, with the threat of withdrawing his advertising, he had persuaded the local newspaper to publish pictures of the worst gardens in Warrnambool. Pictures of rubbish heaps would have turned neighbor against neighbor. Or, suppose he had made reform speeches, deploring the low character of the Warrnambool townspeople, and urging laws to compel them to beautify their gardens, meanwhile neglecting his own factory grounds on the excuse that he was a busy businessman. Such a Fletcher Jones could have had the satisfaction of saying, "I tried to wake the people up. That's all I can do."

Although exposing the evils of the United Nations and various government bureaus seems necessary, I have observed that people who constantly read and talk about existing evils become depressed. They soon adopt the attitude: "It's too late to do anything. The world is doomed. What's the use. The common man is too dumb to understand." Thus annoyed and depressed, they are unable to arrive at wholesome solutions to their own problems. Moral qualities and standards decline to: "Let's have fun. I'm not paid to worry."

After one of my first speeches in Australia, a listener commented, "There are a lot of people who would like to hear you, but you would never be invited to the Australian-American Club." At the time, I thought this was a compliment, meaning that Americans couldn't stand to hear the facts and the truth exposing the corruption of their government. I think now that it was a just criticism of the wrong methods I employed. If Fletcher Jones had exposed the facts about the rubbish heaps and unkempt gardens, and if he had told the truth about the miserable quality of the people who were responsible, no improvement would have resulted.

What can a banana tree do? It can grow. It can produce some fruit. Men like Fletcher Jones,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who display the fruits resulting from the best of their efforts, invite others to taste what is good. My goal is to obtain or practice freedom, and I can only begin by improving myself. Some will say, "I have improved myself." But how many of us can give simple, clear answers and reasons to such basic questions as Why is stealing wrong? Can a government give a gift? Does the law determine right and wrong?

The ability to ask questions is worth cultivating. It makes a man grow. The easiest job in the world is telling others to improve themselves, and the hardest job is improving oneself. If each of us will attend to his own hardest job, there will be no need to expose the failure of the United Nations idea; it will die from lack of supporters.

Some will argue that improving gardens and attaining freedom differ as night from day. Gardens are material things; freedom is an idea. But, doesn't a garden begin with an idea? Is the achievement of freedom limited to the realm of the mind, or does it extend to the everyday affairs of making a living? Strife, violence, and wars are the result when one man tries to impose his will upon another.

What can a banana tree do? It can grow. It can produce some fruit. It can send up some new shoots. By learning to grow in the ideas of freedom and by practicing them, we can attract others to emulate us. New shoots of freedom will appear only when this simple idea is understood and implemented. If a neighbor admires my banana tree, he may develop the desire to grow one of his own. This is the Fletcher Jones method — and I am trying to make it mine.

IDEAS ON LIBERTY

Shackling Progress

A BENEVOLENT GOVERNMENT does not help man to solve his problems; it merely assists him to postpone them or to pass them on to others. In many cases the one to whom they are passed is less able to carry the burden. This is but one of the many errors of authoritarianism which also lessens the development of individual realization which must come before one can intelligently act for his own progress.

RALPH E. LYNE, Taylor, Michigan

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LEONARD E. READ

MIRACLE of

WE HAVE 80 million automobiles in this country, but it is impossible to find anyone who, by himself, knows how to make all of the complex parts and assemble them into the finished product. No person knows how to make even so simple an item as a pencil.[1] That we have so many things in such profusion, without anyone's knowing precisely how to make them, is a miracle of which we ought to be aware lest we inadvertently destroy its wonder-working powers.

An aspect of this miracle is that no two of some two billion adult human beings on this earth are identical. There is striking variance in such fundamentals as taste, smell, skin, hair, bone, gastric juice, amino acid and vitamins in blood, and so on. Further, each individual is a tiny islet of unique human energy, differing from all others in skill, knowledge, insight, creativeness. Thus, the solitary energy of even the most gifted person cannot produce a thing as simple as a pencil. A pencil is a miraculous configuration of varying creative energies contributed by literally millions of individuals, most of whom are unknown to one another. Yet pencils are available in profusion, at a price of only a few cents each.

The spontaneous coalescence of diverse energies in response to human necessity and demand is indeed a miracle – a gift from the Creator which no human authoritarian has even been able to approach, let alone duplicate. The nature of this miracle was clearly spelled out more than a century ago by that remarkable Frenchman, Frederic Bastiat:

On entering Paris where I came to visit, I said to myself – Here are a million of human beings who would all die in a short time if provisions of every kind ceased to flow toward this great metropolis. Imagination is baffled when it tries to appreciate the vast multiplicity of commodities which must enter tomorrow through the barriers in order to preserve the inhabitants from falling prey to the convulsions of famine, rebellion, and pil-

[1] This fact is documented in a pamphlet, *I, Pencil*, available on request.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the MARKET

lage. And yet all sleep at this moment, and their peaceful slumbers are not disturbed for a single instant by the prospect of such a catastrophe. On the other hand, eighty departments [subdivisions of France] have been laboring today, without concert, and without any mutual understanding, for the provisioning of Paris. How can each day bring just what is necessary, nothing less, nothing more, to this gigantic market? What is the ingenious and secret power which presides over the astonishing regularity of such complicated movements, a regularity in which we all have so implicit, though thoughtless, a faith; on which our comfort, our very existence depends? This power is an absolute principle, *the principle of freedom in exchanges.*[2]

This "absolute principle" is what attends to the all-important configuration of varying creative human energies which takes place "without concert, and without understanding." The principle operates as free from any over-all human direction or management as does the law of gravitation. Operating beyond the ingenuity of human action, this principle carries no price for its service – a service not within the ken of man, a service without which man could not exist. Indeed, the prime requirement is that this "secret power" be left alone, that is, free of any man-attempt to take it over.

Freedom in exchanges, that is, willing exchanges – the miraculous mechanism that Adam Smith termed "The Invisible Hand" – tends to tempt tinkers. There are many among us who entertain the foolish notion that they could, if given the authority, construct a superior mechanism. They would put floors under and ceilings over wages, prices, production. They would subsidize some at the expense of others, and protect the ones who complain about competition. In short, they are the ones who would interfere with creative energies and violate the principle of "freedom in exchanges."

[2] See *Sophisms of Protection* by Frederic Bastiat. New York: G. P. Putnam's Sons, 1874. pp. 122-23.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Sorry Alternative

Here is Bastiat's warning on that score:

What would be your conditions, inhabitants of Paris, if a minister, however superior his abilities, should undertake to substitute, in the place of this power [freedom in exchanges], the combinations of his own genius? If he should think of subjecting to his own supreme direction this prodigious mechanism, taking all of its springs into his own hand, and deciding by whom, how, and on what conditions each article should be produced, transported, exchanged, and consumed? Ah! although there is much suffering within your walls; although misery, despair, and perhaps starvation, may call forth more tears than your warmest charity can wipe away, it is probable, it is certain, that the arbitrary intervention of government would definitely multiply these sufferings, and would extend among you the evils which now reach but a small number of your citizens.[3]

It is not necessary, however, to revert to nineteenth century France for examples of the enormous costs that accompany the substitution of governmental intervention for freedom in exchanges. We can draw on our own American experiences. The competitive open market freely coordinates our supplies and demands; the politically rigged process accomplishes no more than an obfuscation of the automatic, spontaneous, miraculous market process, and at ever-increasing costs!

No One Knows It All

The reason? Take any government official (a citizen backed by force), however superior his abilities, and observe what confronts him when he sets out to rig prices and production. It would be difficult to write a fraction small enough to express his infinitesimal portion of the required knowledge. For instance, a single company in the U.S.A. – one among many – produces not less than 250,000 complex items. Not only is there no single individual in the company who knows how to make any one of these products, but there is no person in the company who knows what all of these items are! Yet, our government official who probably has never entered one of the company's many plants, who doubtless has no acquaintance with any member of the company, who more than likely knows nothing at all about metallurgy, electronics, marketing, finance, or hundreds of other relevant disciplines, would inflict by force his abysmal ignorance on this complex operation!

Even when he realizes the colossal nature of his undertaking, our

[3] *Ibid.*, pp. 123-24.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

official, more often than not, concludes that he could do all of the "beneficent" rigging if only he had enough help and enough facts. Thus is a bureaucracy pyramided, layer on layer, one division of frustrated labor after another, fact-gathering bureaus, governmental research agencies, statistical heaps without end.[4]

Mounting Costs of Government

If we concede that the function of government is to inhibit, restrain, and penalize all fraud, violence, misrepresentation, predation, in short, to invoke a common justice, then we might expect that the cost of governing John Doe's grandson should have been no more in 1960 than it cost to govern John Doe in 1900 – unless, of course, the grandson were more a rascal than was his grandfather.

Total expenditures of government at all levels in these United States in 1900 averaged $56 per person. In 1960, *by reason of increased interventionism,* the average was $615 per person.[5]

Some will argue that the people have asked for more and more governmental "services." True, they have. But we are not here concerned with the causes, only with the costs of interventionism.

Others will argue that wars have been largely responsible for these increased costs. True, they have. But wars, in turn – even civil wars – are but the consequence of governmental interventionism. Free peoples do not war with each other. Take Wisconsin and Illinois, adjoining states. There is no thought of armed conflict between the two. Goods and people cross the border as if it did not exist. Now erect trade barriers and exchange controls, requiring a gendarmerie from each state at the border. Sooner or later the gendarmes will have a go at it. "When goods do not cross borders, soldiers will."

Declining Costs in Free Market

So much for the mounting costs of interventionism.[6] Now, it would be both interesting and enlightening if we could statistically demonstrate the accomplishments in declining costs when the free market performs the coordinating function. But statistical accuracy is out of the question. In the first place, there is no example of a product or service that does not bear the costs

[4] See "Statistics: Achilles' Heel of Government" by Dr. Murray N. Rothbard. *The Freeman.* June 1961.

[5] These figures are expressed in constant purchasing power (1947-49 = 100). The unadjusted figures: $19 in 1900; $778 in 1960!

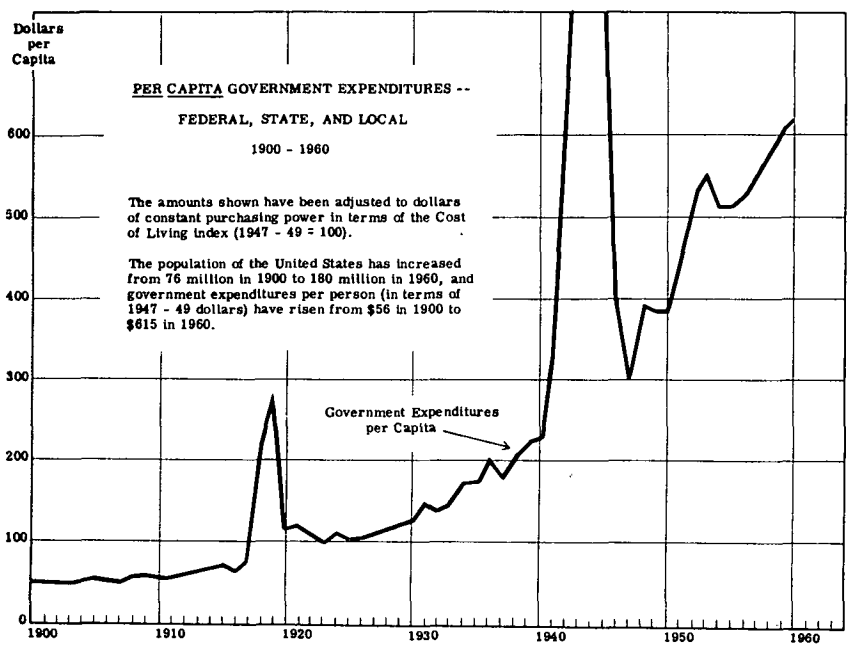
[6] State interventionism carries costs that defy measurement, costs far over and beyond those which can be expressed in dollar terms, the stifling of initiative and the enterprising spirit being among them.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of governmental interventionism. And, second, there are few examples of products that were the same in 1900 as in 1960. A 1960 automobile, for instance, bore little resemblance to the horseless carriage of 1900. Nor was a gallon of gas in 1960 like a gallon of the fuel used in the carriages of 1900.

The most comparable example that comes to mind is the kilowatt-hour (the energy to light ten 100-watt bulbs for one hour). The private power and light industry, substantial producers of kilowatt-hours, has not only borne its full share of governmental costs but also has suffered an inordinate amount of governmental interference, all under the heading of "regulation." Despite this handicapping, the KWH demonstrates the miraculous economies flowing from free market processes.

In terms of 1947-49 dollars, the price per KWH for household use was 50¢ in 1900. The price in 1960 was 2¢!

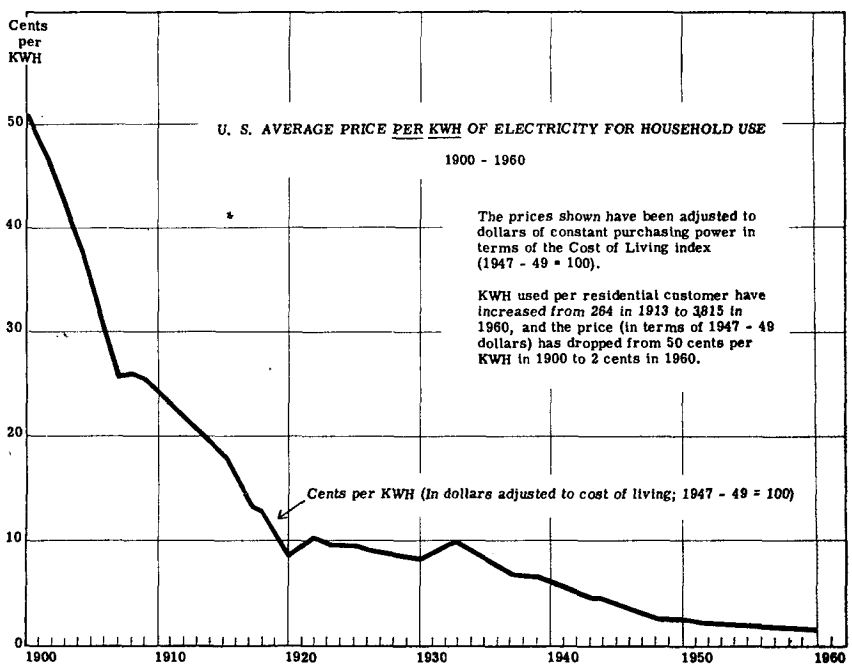

Dollars per Capita
PER CAPITA GOVERNMENT EXPENDITURES --
FEDERAL, STATE, AND LOCAL
1900 - 1960
The amounts shown have been adjusted to dollars of constant purchasing power in terms of the Cost of Living Index (1947 - 49 = 100).
The population of the United States has increased from 76 million in 1900 to 180 million in 1960, and government expenditures per person (in terms of 1947 - 49 dollars) have risen from $56 in 1900 to $615 in 1960.
Government Expenditures per Capita
600
500
400
300
200
100
0
1900
1910
1920
1930
1940
1950
1960

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

I am not trying to compare two wholly different things. Yet, there is a significant fact to be observed in the accompanying charts: one price line goes up and up; the other down and down.

There is one crystal clear lesson to be drawn from the abundance of evidence crying to be heard: *With no reservations, free all creative energies and their exchanges!* Let government, society's formal agency of force, minimize the current rascality as best it can – this, and nothing more. Otherwise, leave these millions of varying creative human energies alone, that the "absolute principle" – freedom in exchanges – may freely, uninterruptedly, and without cost configurate these energies that they, in turn, may manifest themselves as automobiles, pencils, bread, houses, clothing, heat, light, symphonies, art, emerging individuals – indeed, all the things we live by. ◈

Reprints of this article are available at 10 copies for $1.00; 100 for $8.00.


Cents per KWH
50
40
30
20
10
0
U. S. AVERAGE PRICE PER KWH OF ELECTRICITY FOR HOUSEHOLD USE
1900 - 1960
The prices shown have been adjusted to dollars of constant purchasing power in terms of the Cost of Living index (1947 - 49 = 100).
KWH used per residential customer have increased from 264 in 1913 to 3815 in 1960, and the price (in terms of 1947 - 49 dollars) has dropped from 50 cents per KWH in 1900 to 2 cents in 1960.
Cents per KWH (In dollars adjusted to cost of living; 1947 - 49 = 100)
1900
1910
1920
1930
1940
1950
1960

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VOLUNTEERS for the PEACE CORPS

HANS F. SENNHOLZ

FEW GOVERNMENT PROGRAMS, if any, have caught the imagination of the American youth so completely as that of the Peace Corps. Thousands of college boys and girls are dreaming about the thrilling experience of traveling and working in Asia, Africa, and South America while serving the noble cause of peace and good will through the Peace Corps.

On March 1 of this year a special message of the President to Congress recommended the creation of a permanent "Peace Corps." On a temporary pilot basis the Corps was established the same day by Executive Order.

According to the President, "the temporary Peace Corps will be the source of information and experience to aid us in formulating more effective plans for a permanent organization. In addition, by starting the Peace Corps now we will be able to begin training young men and women for overseas duty this summer with the objective of placing them in overseas positions by late fall. This temporary Peace Corps is being established under existing authority in the Mutual Security Act and will be located in the Department of State. Its initial expenses will be paid from appropriations currently available for our foreign aid program.

"Throughout the world the people of the newly developing nations are struggling for economic

Dr. Sennholz heads the Department of Economics at Grove City College, Pennsylvania.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and social progress which reflects their deepest desires. Our own freedom, and the future of freedom around the world, depend, in a very real sense, on their ability to build growing and independent nations – where men can live in dignity, liberated from the bonds of hunger, ignorance, and poverty."[1]

According to President Kennedy, the objective of the Peace Corps is the employment of Americans in productive work in newly developing areas of the world. Peace Corps members are to teach, or to build, or to work with local institutions, living with the people they are sent to help. They are to be recruited from the ranks of young college graduates or workers with skills needed abroad. The Peace Corps is to reinforce existing government-approved private programs of assistance and public development by filling some of the manpower gap. Being closely related to other foreign aid programs the Peace Corps is to provide skilled manpower to developing nations through five different channels: (1) through private agencies that carry on Peace-Corps-type programs, (2) through arrangements with colleges, universities, or other educational institutions, (3) through programs of other U.S. government agencies, (4) through the U.N. and other international agencies, and (5) through direct Peace Corps programs.

Working through these channels the Peace Corps is to raise the literacy and levels of knowledge which are deemed essential for successful national development. It is to help improve the health in underdeveloped countries, fighting malaria, typhoid, smallpox, tetanus, and other diseases that reduce economic productivity and output. The members are to be employed in agricultural projects, community development programs, construction of schools, cooperative housing, roads, and other public projects. They are to work on large-scale construction and industrial projects, such as dams, new cities, modern factories, and so on. And finally, they are to work in government administration and on government projects in accordance with the government's priorities of development needs.

Grandiose Schemes of Central Planning

In the face of this array of collectivistic ideas and projects, one searches in vain for differences between the Peace Corps programs and similar development projects initiated by the communistic countries. There is no essential difference between the Soviet approach

[1] *New York Times*, March 2, 1961.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to development aid to India or Indonesia and that of the American Peace Corps.

The Peace Corps program as well as other foreign aid programs officially encourage the development of statism and socialism abroad. The United States is in fact doing what the Soviet Union is merely promising to do: It is spending vast sums, and now is dispatching its Peace Corps volunteers, to promote socialism all over the world. It finances five-year plans, seven-year plans, economic planning boards, imitation TVA's; it supports governments that seize and confiscate industries; it puts foreign governments into the electric power business, into cement manufacture, textile manufacture, tanning, sugar refining, milk and meat processing, and in many other enterprises. It is no exaggeration, indeed, that the United States' foreign aid program is the strongest single force for the growth of socialism all over the world. According to Clement Johnson, Chairman of the Board of the U.S. Chamber of Commerce, reporting to the Senate Foreign Relations Committee on the foreign aid programs in Southeast Asia, "there is little or no encouragement for private enterprise. It is politically more popular to create state-owned, publicly administered monopolies which also afford opportunities for patronage and special favors."

The American Peace Corps is to assist foreign governments toward successful national development. Its members are to work in government agricultural projects, government community programs, government construction of schools, houses, roads, and other government projects. They are to work on large-scale government construction projects, government dams, new cities and factories built by government. They are to work in government administration and regulation. In short, they are to be employed in precisely the same manner as the Soviet government would employ its youth organization, its "Pioneers," in similar development projects.

Economic Development Presumes Certain Legal and Social Conditions

According to capitalistic ideology the underdeveloped nations are poverty-stricken and disease-ridden because the fundamental prerequisites for economic production and exchange are lacking. Economic production requires stable conditions. It demands peace and continuity which are the goal and purpose of all legal institutions. It requires the protection and defense of property against all those who would acquire it through fraud and vio-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lence. Economic production requires a legal system that maintains peace and order and safeguards private property. Rational production with intensive cultivation of the land and industrial mass production cannot develop without private property.

The evolution of private property in the Western Hemisphere constituted a fundamental prerequisite for the rise of Western civilization with its unprecedented economic productivity and well-being. Other civilizations and other underdeveloped areas of the world lack the Western legal systems that safeguard private possessions. Socialism and communism deny private property and therefore negate the basic prerequisites for rational economic production. No matter how the communistic propagandists may falsify their production statistics, their system inevitably breeds slavery and poverty.

The Need for Businessmen

The underdeveloped countries above all need entrepreneurs who organize productive enterprise, hire and train workers, build businesses, plantations, and factories. They need businessmen who — in order to earn profits — build channels of trade and commerce, create jobs, and produce goods and services. They need capital which these businessmen accumulate in the form of factories, machines, tools, and means of transportation.

During the last two hundred years European and American businessmen expanded their economic activities to all parts of the world. Under the leadership of Great Britain, the European countries brought Western law and order to countries that had lived in barbarism ever since the beginning of man. The light of Western civilization emanating from individual freedom and private property spread over all parts of the globe. But with the rebirth of collectivism in the shape of aggressive nationalism and socialism since the end of the nineteenth century, the light of civilization in Asia and Africa darkened again. And with the exodus of American and European businessmen from Asia and Africa, the ray of hope that had barely shone faded away. Instead, the people in the underdeveloped areas learned to attach their new hopes to the socialistic ideology that is more akin to their own age-old systems of tribal communism.

History will record that the disintegration of Western civilization accelerated under American leadership since World War II. In practically all political issues involving the colonial powers of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Europe and the underdeveloped countries, our liberal statesmen and politicians sided with the latter. In fact, they perceive no difference between the freedom revolution in their own country some 184 years ago and the rise of world-wide statism today. Their slogan, "Africa for the Africans," reveals either an incredible confusion or their great hostility to the order of Western civilization and its individual enterprise system.

Peace Corps No Substitute for Capitalism

The Peace Corps is a poor substitute for Western civilization with its private property, individual freedom, and enterprise. Instead, it is a manifestation of socialism, which necessitates government control over labor. Plank 8 of the *Communist Manifesto,* which Karl Marx designed some 113 years ago, demands the "establishment of industrial armies, especially for agriculture." The Peace Corps constitutes its realization. Once the Peace Corps is firmly established, it undoubtedly will grow to "Peace Armies" at the disposal of the government for foreign as well as domestic employment. Socialism will have reached its ultimate when every man and woman is drafted into the Peace Army.

The fact is that the American Peace Corps member working with the natives cannot replace the British, French, or Belgian banker and businessman. He cannot replace the Belgian plantation owner whose property was seized or destroyed without compensation and who barely escaped with his life. Instruction in the English language, which the American college graduate may be qualified to render, is no substitute for the law and order decreed by a British court of law and enforced by an efficient police force.

The American boy or girl of 25 is accustomed to a standard of consumption that may in some cases be 100 times greater than that of the people he or she is supposed to help. The American may be capable of living on $2,000-$3,000 a year while the natives subsist on $20-$30 a year. This fact casts doubt on the ability of the Peace Corpsman to survive under primitive Asian and African living conditions. At any rate, the natives are well qualified mentally and physically to live under their customary conditions. In spite of their illiteracy they evidence considerable intelligence in their ways of life. In order to survive the deprivation and poverty of his new surroundings, the American will need considerable assistance not only from

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his own government but also from his native fellow workers.

American government assistance would immediately raise his economic and social position above that of the natives and thus make him a new target for native envy and agitation. Without U.S. government help the Peace Corps volunteer would become a burden to the natives and the object of their ridicule rather than a benefactor.

As a junior member of the native government machine, he would participate in the policies of corrupt tribal organizations that seize and confiscate the property of Europeans and other foreigners and manage their economies according to socialistic and communistic principles. The American boy with four years of liberal indoctrination at college plus two years of Asian and African government omnipotence, may learn to embrace and advocate the very principles that threaten to engulf our civilization. Thus can be lost and forgotten the concepts and practices of capitalism, private property, and the profit system, commonly called "The American Way of Life." ◈

IDEAS ON LIBERTY

Foreign Aid

PERHAPS WE WOULD be doing the peoples of the world a greater and more enduring service if, along with each item of food, clothing, money, and equipment, we sent a simple, matter-of-fact statement of the reasons underlying our ability to make contributions which are so far out of proportion to our population and our natural resources.

And I rather like this idea from another standpoint. In the role of salesmen for America, perhaps we might become more appreciative of our own product, more steadfast in holding to the faith of our fathers, more alert in resisting the alluring promises of false utopias, which for over 6,000 years have kept the vast majority of people underfed, poorly clothed, embroiled in wars, and surrounded by famine, pestilence, and human degradation.

HENRY GRADY WEAVER, *The Mainspring of Human Progress*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Capitalist International

ALFRED ANDERSON KENNEDY

AN ART EXHIBIT under the auspices of a "Gallerie Internationale" might sound as though it were a project of the Comintern; but that would be a wrong impression.

The "Gallerie Internationale, Ltd." came into being two years ago when a group of young men opened an art gallery in San Francisco to promote "international development through individual initiative."

Since their San Francisco success, the group has established branches in such faraway places as Athens (Greece), Lima (Peru), and Bangkok (Thailand) to provide international outlets for noncollectivist art. The East Coast Gallerie Internationale imports through Hampton Roads, Virginia, and maintains a showroom just outside historic Williamsburg.

Gallerie Internationale showrooms are impressive, not only for the excellent taste and variety of art work exhibited, but also for the absence of works conspicuously sentimentalizing the proletariat — the latter having dwindled in appeal to the art-collecting cognoscenti. However, noncommunist or "bourgeois" art does not necessarily engage in the moralization of its ethics. Such moralization repels more often than it attracts. Herein lies the great, though often unrecognized, weakness of Marxist culture. It has made a truism of Upton Sinclair's dictum that all art is propaganda. The uncommitted or nondoctrinaire mind is utterly alienated by the constant propagation of dubious ideals.

Open-mindedness is not the monopoly of Western culture; but, historically, one finds its antecedents in the libertarian traditions of the West.

According to the literature of the Gallerie Internationale:

The world's unprecedented ability

Mr. Kennedy is a free-lance writer and capitalist, among whose hobbies is an interest in the arts.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to provide all men with adequate food, shelter, and self-respect is found thwarted today by several conflicting ideologies and diametrically opposed social-economic systems. The fastest growing, most aggressive and most feared of these systems is international communism.

Although millions of dollars and thousands of lives have been expended in combating the forceful spread of communism, daily events indicate that most free world social-economic programs have not engaged their real enemy.

To engage the real enemy, which is the spirit of collectivism as well as the reality of international communism, the "Gallerie," as a private stock corporation:

Establishes international rallying points of free enterprise among those who respect nothing so much as action and replaces communist "revolutionary pride" with the contagious personal confidence of individuals realizing their maximum constructive potential.

"We are quite frankly selling an ideal (responsible individualism)," say these young men. "There is a story and an individual's personal accomplishment behind our every product."

Those who operate the Gallerie and others whose thinking is similarly inclined realize that Adam Smith's *Wealth of Nations* provided the intellectual mainspring of freedom of expression in the arts as well as freedom of commercial enterprise.

Throughout the age when mercantilism was in flower, little progress was made in artistic expression. It was in the nineteenth century, the age of free enterprise, that new schools and various esoteric forms of expression developed in the arts.

Gradually, the free market idea replaced the direct commission practice as the artist's primary means of earning a living from his work. That is, he would display his works in galleries to prospective buyers rather than being commissioned to do a specific work for a specific collector.

Today, most artists would prefer to vend their works in the free market sphere of the gallery instead of working on commission. But those in the Soviet Union must produce for the wiles of a totalitarian state, which serves as critic and censor. In many other socialist nations the restriction of private capital impedes artistic development, while state patronage often brings about the same results as in the USSR.

To those desiring a renaissance of the free market ethic in the arts where the creator is the critic of his creativity, organizations such as Gallerie Internationale offer a breath of fresh air. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Wilhelm von Humboldt

One of the Great Individualists of the Past

RALPH RAICO

WHEN Oswald Spengler in one of of his minor books scornfully characterized German classical liberalism as "a bit of the spirit of England on German soil," he was merely displaying the willful blindness of the school of militaristic-statist German historians, who refused to acknowledge as a true compatriot any thinker who did not form part of the "intellectual bodyguard of the House of Hohenzollern." Spengler had apparently forgotten that Germany had had its Enlightenment, and the ideals of freedom which were conceived and propagated in England, Scotland, and France toward the end of the eighteenth century, had found an echo and a support in the works of writers such as Kant, Schiller, and even the young Fichte. Although by 1899 William Graham Sumner could write that "there is today scarcely an institution in Germany except the army," it is nevertheless true that there existed a native German tradition of distinguished, libertarian thought, which had, in the course of the nineteenth century, to some degree at least been translated into action. Of the thinkers who contributed to this tradition, Wilhelm von Humboldt was unquestionably one of the greatest.

Born in 1767, Humboldt was de-

This article is reprinted by permission from the first issue, April 1961, of the *New Individualist Review* published by the University of Chicago chapter of the Intercollegiate Society of Individualists, P. O. Box 4309, Chicago 80, Illinois. $2.00 per year (students $1.00).

Mr. Raico is editor-in-chief of *New Individualist Review*, and is studying under the Committee on Social Thought, University of Chicago.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

scended from a Junker family which had faithfully served the rulers of Prussia for generations – a fact which was later to cause surprise to some of those who heard young Humboldt in conversation passionately defend personal liberty. He was educated at Frankfurt-am-Oder, and later at Göttingen, at that time one of the centers of liberal ideas in Germany.

Dim View of French Revolution

In the summer of 1789, Humboldt undertook a trip to Paris, in the company of his former tutor, Campe, who was a devotee of the *philosophes*, and now eager to see with his own eyes "the funeral rites of French despotism." His pupil did not share his enthusiasm for the Revolution, however, for from what Humboldt had witnessed at Paris and from conversations with Friedrich Gentz (at that time a supporter of the French Revolution) there issued a brief article, "Ideas on the Constitutions of States, occasioned by the New French Constitution."[1]

This little essay, originally intended as a letter to a friend, is noteworthy for a number of reasons. In the first place, Humboldt appears to have arrived at some of the major conclusions of Burke, without at that time being familiar with the latter's work. He states, for instance, that "reason is capable to be sure of giving form to material already present, but it has no power to create new material . . . Constitutions cannot be grafted upon men as sprigs upon trees." For a new political order to be successful, it is necessary for "time and nature" to have prepared the ground. Since this has not been the case in France, historical analogy compels us to answer no to the question whether this new constitution will succeed.

In addition, this essay is interesting because it anticipates an idea which was central to the thesis of Humboldt's most important work on political theory and which was never far from his mind whenever he deliberated on the nature of man – the notion that "whatever is to flourish in a man must spring from within him, and not be given him from without."

Nevertheless, Humboldt does not, in this essay, display the hostility toward the French people which was characteristic of Burke. He realizes that if the French had given themselves over to ill-considered schemes for remolding their society according to a preconceived plan, it was a reaction

[1] "Ideen über Staatsverfassung, durch die neue französische Constitution veranlasst," in Humboldt's *Gesammelte Schriften*, vol. i, (Berlin, 1903), pp. 77-85.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which might have been expected, given the provocations of the Old Regime. "Mankind had suffered at the hands of one extreme; it understandably sought its salvation at the other."

On his return to Berlin, Humboldt had been given a minor post at the law court. But the relative freedom of thought which had been enjoyed in Prussia under Frederick the Great was at this time being replaced by persecutions of the press and religious intolerance, and Humboldt did not find the atmosphere of public life congenial. Added to this, was the disinclination which he felt to interfere in the lives of others (a nicety of feeling almost grotesquely out of place in a "public servant"). Most important of all, perhaps, was the new conception which he was beginning to formulate of the legitimate functions of government, a conception which virtually compelled him to look on the states of his time as engines of injustice. In the spring of 1791, Humboldt resigned his position.

The Role of Government

The genesis of his major work on political theory, and the one of most interest to individualists, is also to be found in discussions with a friend, Karl von Dalberg, who was a proponent of the "enlightened" state paternalism then prevalent in Germany. He pressed Humboldt for a written exposition of his views on the subject, and Humboldt responded, in 1792, by composing his classic, *The Sphere and Duties of Government.*[2]

This little book was later to have a good deal of influence. It was of importance in shaping some of John Stuart Mill's ideas in this field, and may even have provided the immediate occasion for his *On Liberty*. In France, Laboulaye, the late nineteenth century individualist, owed much to this work of Humboldt's, and in Germany it exercised an influence even over such a basically unsympathetic mind as von Treitschke's. But it is also a book which has an inherent value, because in it are set forth – in some cases, I believe, for the first time – some of the major arguments for freedom.

Humboldt begins his work by remarking that previous writers on political philosophy have concerned themselves almost exclusively with investigating the divisions of governmental power and what part the nation, or certain sectors of it, ought to have in the exercise of this power. These

[2] It was under this title that Humboldt's book appeared in English, in 1854. The German title is, *Ideen zu einem Versuch, die Grenzen der Wirksamkeit des Staats zu bestimmen;* in Humboldt, *op. cit.* vol. i, pp. 97-254.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

writers have neglected the more fundamental question, "To what end ought the whole apparatus of the state to aim, and what limits ought to be set to its activity?" It is this question that Humboldt intends to answer.

"The true end of man – not that which capricious inclination prescribes by eternally immutable reason – is the highest and most harmonious cultivation of his faculties into one whole. For this cultivation, freedom is the first and indispensable condition." Humboldt thus begins by placing his argument within the framework of a particular conception of man's nature, but it ought to be noted that the validity of his argument does not depend upon the correctness of his view of "the true end of man." Of primary importance are his ideas in regard to the mechanism of individual and social progress, and here even such a socially-minded utilitarian as John Stuart Mill could find instruction and inspiration.

For the full flourishing of the individual, Humboldt asserts, there is requisite, besides freedom, a "manifoldness of situations," which, while logically distinct from freedom, has always followed upon it. It is only when men are placed in a great variety of circumstances that those experiments in living can take place which expand the range of values with which the human race is familiar, and it is through expanding this range that increasingly better answers can be found to the question, "In exactly what ways are men to arrange their lives?"

A free nation would, according to Humboldt, be one in which "the continuing necessity of association with others would urgently impel each gradually to modify himself" in the light of his appreciation of the value of the life-patterns others have accepted. In such a society, "no power and no hand would be lost for the elevation and enjoyment of human existence." Each man, in applying his reason to his own life and circumstances, would contribute to the education of other men, and would, in turn, learn from their experience. This is Humboldt's view of the mechanism of human progress.

It should be clear, however, that this progressive refinement of the individual personality can only take place under a regime of freedom, since "what is not chosen by the individual himself, that in which he is only restricted and led, does not enter into his being. It remains foreign to him, and he does not really accomplish it with human energy, but with mechanical address." This is one of the central ideas of the book and merits some discussion.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Freedom in Science

It is an idea which no one will dispute, when it is a question of scientific progress. No one expects worth-while scientific thought to take place where the scientist is compelled or restricted in some important facet of his work. He must be free to develop his ideas, in accordance with the self-imposed standards of his profession, out of his own originality. But scientific knowledge is only one type of knowledge; there are other types, some at least as socially useful. There is the knowledge which consists in skills and techniques of production, and the type which, as we have seen, is embedded in values and ways of life: besides the sort of knowledge which is acquired through abstract thought, there is the sort acquired through practical thought and through action. The argument for freedom in the elaboration of scientific knowledge, therefore, is simply a special instance of the argument for freedom in general.

Professor Michael Polanyi has described the benefits of "individualism in the cultivation of science":

> The pursuit of science can be organized . . . in no other manner than by granting complete independence to all mature scientists. They will then distribute themselves over the whole field of possible discoveries, each applying his own special ability to the task that appears most profitable to him. Thus as many trails as possible will be covered, and science will penetrate most rapidly in every direction toward that kind of hidden knowledge which is unsuspected by all but its discoverer, the kind of new knowledge on which the progress of science truly depends.[3]

Few will doubt that scientific progress would have been appallingly retarded if, for instance, Einstein had been compelled to obtain permission from a board in charge of "planning science" before he could undertake his researches (or if a government commission had been empowered to pass on Galileo's intended work!). But if men like Henry Ford had not been free to put their ideas into operation, industrial progress would have been no less stanched. We may freely concede that the abstract scientific thought of an Einstein is a loftier thing, representing a greater achievement of the human mind. But this has no bearing on the argument.

We believe that individual scientists should be unhindered in the pursuit of their aims, because those who would be in charge of the central direction of scientific research, or those who had power to restrict scientists in essential ways, would not know as well as

[3] Michael Polanyi, *The Logic of Liberty*, (London, 1951), p. 89.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the scientists themselves – each of whom has an immediate knowledge of the relevant factors in his particular situation – which are the most promising lines to be explored. In addition, a self-chosen activity, or one which may be freely followed up in all of its ramifications, will summon forth energy which will not be available in cases where a task is imposed from without, or where the researcher meets up against countless frustrations in the pursuit of his goal – the free activity, in other words, will command greater incentive.

But both of these propositions are equally true of activities involving practical knowledge, or knowledge in action, of which techniques of production are an example. The Socialist who believes in central direction of economic activity ought, consistently, to believe also in the central planning of science, and those who favor widespread government control of economic life, because the state "knows better," should, if they were consistent, favor a return to the system that shackled the scientific enterprise as well.

It was partly because force necessarily interferes with individual self-development and the proliferation of new ideas, by erecting a barrier between the individual's perception of a situation and the solution he thinks it best to attempt, that Humboldt wanted to limit the activities of the state as severely as possible. Another argument in favor of this conclusion is that a government wishing to supervise to even a modest degree such a complex phenomenon as society, simply cannot fit its regulations to the peculiarities of various concatenations of circumstances. But measures which ignore such peculiarities will tend to produce uniformity and contract the "manifoldness of situations" which is the spur to all progress.

The Limits of Coercion

But what is the indispensable minimum of government activity? Humboldt finds that the one good which society cannot provide for itself is security against those who aggress against the person and property of others. His answer to the question which he posed at the beginning of his work, "what limits ought to be set to the activity of the state," is "that the provision of security, against both external enemies and internal dissensions must constitute the purpose of the state, and occupy the circle of its activity."

As for the services which it is commonly held must fall within the scope of government action, as, for instance, charity, Humboldt

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

believes that they need not be provided by *political* institutions, but can safely be entrusted to *social* ones. "It is only requisite that freedom of association be given to individual parts of the nation or to the nation itself," in order for charitable ends to be satisfactorily fulfilled. In this, as, indeed, throughout his whole book, Humboldt shows himself to be a thoughtful but passionate believer in the efficacy of truly social forces, in the possibility of great social ends being achieved without any necessity for direction on the part of the state. Humboldt thus allies himself with the thinkers who rejected the state in order to affirm society.

Parts of Humboldt's book appeared in two German periodicals in 1792, but difficulties with the Prussian censorship and a certain apparently innate lack of confidence in his own works, caused him to put off publication of the work until it could be revised. The day for revision never came, however, and it was only sixteen years after the author's death that *The Sphere and Duties of Government* was published in its entirety.

For ten years after the completion of this book, Humboldt devoted himself to traveling and private studies, principally in aesthetics and the classics, linguistics, and comparative anthropology. From 1802 to 1808 he served as Prussian minister to Rome, a post which involved a minimum of official business, and which he accepted chiefly out of his love for the city. Humboldt's real "return to the state" occurs in 1809, when he became Director of the Section for Public Worship and Education, in the Ministry of Interior. In this capacity, he directed the reorganization of the Prussian public education system, and, in particular, founded the University of Berlin.

Misplaced Patriotism

That so unquestionably sincere a man as Humboldt could have acted in such disharmony with the principles set forth in his only book on political philosophy (among them, that the state should have no connection with education), requires some explanation. The reason is to be sought in his patriotism, which had been aroused by the utter defeat suffered by Prussia at the hands of Napoleon. Humboldt wished to contribute to the regeneration of his country which was being undertaken by men such as Stein and Hardenberg, and the reform of the educational system fitted his abilities and inclinations.

This task completed, Humboldt served in various diplomatic posts for a number of years, including

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that of Prussian minister to the Congress of Vienna, and, after peace had been established, as a member of the Council of State. But the spirit which now predominated in Berlin, as well as throughout Europe, was the spirit of Metternich, who, always able accurately to identify the enemies of his system, had already in 1814 termed Humboldt a "Jacobin." Humboldt's opposition to the reactionary policies of his government gained for him as much ill-will at court as it did popularity among the people. He was hated and intrigued against by the reactionaries at court; they went so far as to open his mail, as if he had in actuality been a Jacobin. When, in 1819, Metternich induced Prussia to agree to the Karlsbad Decrees, which attempted to establish a rigid censorship for all of Germany, Humboldt termed the regulations "shameful, unnational, and provoking to a great people," and demanded the impeachment of Bernstorff, the Prussian minister who had signed them.

It was clear that a man like Humboldt was an anomaly in a government which treacherously refused to fulfill its war-time promises of a constitution, and whose domestic policies were largely dictated by Metternich. In December, 1819, Humboldt was dismissed. He refused the pension that was offered him by the king.

The rest of his life he devoted to his studies, of which the researches into linguistics were the most important and gained for him the reputation of a pioneer in the field. He died in 1835.

If we ask what are the primary contributions of Humboldt to libertarian thought, we will find the answer in his ideas on the value of the free, self-sustaining activity of the individual, and of the importance of the unhindered collaboration — often unconscious — of the members of society. The first is a conception which is finding remarkable support and application in the work of the Client-centered, or Non-directive school of psychotherapists,[4] while the second has been explored in the recent books of writers such as F. A. Hayek and Michael Polanyi.[5] That ideas which were set forth by Humboldt should be proving so relevant to contemporary research into man and society, is a sign of the clearly discernible trend toward individualism in present-day thought at the highest levels.

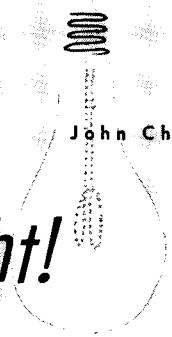
---

[4] On this very suggestive approach to psychotherapy, see Carl R. Rogers, *et. al., Client-Centered Therapy*, (New York, 1951).

[5] See, especially, F. A. Hayek, *The Counter-Revolution of Science*, (Glencoe, Ill., 1952), and *The Constitution of Liberty*, (Chicago, 1960), and Michael Polanyi, *op. cit.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

John Chamberlain



Let There Be Light!

MATTHEW JOSEPHSON has never loved the American past. His *The Robber Barons,* a very famous book in the nineteen thirties, formulated a prevalent negative attitude toward the enterprisers of the post-Civil War period; his *The Politicos,* which succeeded *The Robber Barons,* mocked our legislators and presidents for being mere messenger boys for the businessmen. Finally, in his *Portrait of the Artist as American,* Mr. Josephson spoke of the "grim, dull American past" weighing down upon such sensitive artistic souls as Lafcadio Hearn and Henry James.

It comes as something of a shock, then, to discover that Mr. Josephson can be a lover of America as well as a hater. His latest book, a long and extremely rich biography of the inventor Thomas A. Edison (*Edison,* McGraw-Hill, 511 pages, $6.95), is a rhapsody not in blue but in all the golden hues of the electric light. At long last Mr. Josephson has discovered the other half of the so-called Gilded Age; he can even speak of the "insouciant charm of the mid-nineteenth-century era in America." He still cannot bear the fact that men like J. P. Morgan made profit the touchstone of the banker's art, but he is now willing to grant that the American civilization that has grown out of the nineteenth century is "meliorative and charitable" as well as "materialistic."

Reluctantly but inevitably, Mr. Josephson succumbs to the evidence turned up by his own splendidly indefatigable research. There were the "robber barons," yes. There was Jay Gould, whose business was the manipulation of paper (stocks, debentures, greenbacks) to the end of amassing more paper. There were the efforts to form "trusts." But as Mr. Josephson follows the various Edisonian revolutions that came out of the famous inventor's laboratories at Menlo Park and Orange in New Jersey, the skullduggeries

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which our author once celebrated as being the whole of the latter nineteenth century shrink to negligible proportions.

Scores of important new "meliorative" businesses sprang from Edison's manipulation of electric current. There were the central power stations, making it possible for factories to relocate far from the slums. Transportation changed with the coming of the urban and interurban trolley; homes were no longer in darkness. Men made money out of consulting the consumer's taste, saying "the public be pleased": there was the phonograph, the moving picture theatre, and – as an unlooked-for dividend paid on Edison's discovery of a strange "Edison effect" in a vacuum tube – the whole modern electronics industry. Edison made it possible for the masses to live in light and comparative luxury – and if their tastes have not always been of the best, that is hardly the fault of either Edison in particular or the capitalist system in general.

The Major Problem Was Government Intervention

Almost in spite of Mr. Josephson's intentions a favorable judgment of the "Gilded Age" of American capitalism emerges from the pages of *Edison*. The real excesses of the late nineteenth century, it becomes apparent, were all connected with the unfortunate propensity of men to make unfair use of a natural monopoly through pressure on the government. A very non-Manchesterian breed of capitalist got subsidies for railroads by pleading that the "public" needed the transportation and then proceeded to get rich by feeding the public's own money out in unconscionably large amounts to their own "construction" companies. The railroad men of California in particular charged the people more in tolls than was either just or sensible – for the people had presented the "railroad barons" of the West with the right of eminent domain and they naturally had a right to expect some consideration in return. As for the "rapacity" of the early Rockefeller oil companies, that was bound up with the railroad rebate – still another misuse of a power protected by government. It was government alone that accounted for capitalism's sins, and this hardly constitutes a black eye for "laissez faire."

When all is said and done, however, how feeble and ineffective were the attempts of the "barons" to achieve monopoly through misuse of government in late nineteenth century America. The Edisons of the time were entirely too much for those who dreamed of cartelizing the United States. As a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

young telegraph operator Edison worked for Western Union in various cities – and the aspiring young inventor noticed that Western Union, by dint of buying up and consolidating the many separate city-to-city lines, had managed pretty much to control the dissemination of vital business information. But the men in charge of Western Union failed to see the importance of Alexander Graham Bell's telephone, or of Edison's own improved telephone transmitter which made the telephone commercially feasible, and accordingly they muffed the chance to buy the Bell patents. The result was a complete rebirth of competition in the information-dissemination business, with telephone and telegraph acting as checks on each other.

Competitive Progress

In the business of lighting, the gas companies of the late nineteenth century thought they had an inside monopolistic track in most communities. But along came Edison, with his carbonized filament vacuum bulb – and the gas companies were compelled to share the stage with the new "Edison" companies. The urban and inter-urban traction companies, using Edison's own "juice," thought they had a monopoly of street transportation – but Edison went to work to make a good rechargeable storage battery in hopes of creating a thriving business in small electric runabouts. His friend, Henry Ford, beat him out in the race to provide cheap individual transportation, for gasoline proved more practicable than electric storage batteries – but as a result of the competition between Edison and Ford the street car "monopolies" were as dead as doornails within a few scant years of time. And the railroads themselves, facing the competition of airplane and truck, were kept in business to some extent by the electrification of some of their lines, a change made possible by Edison's original creation of the central power station.

The American Norm

Thus it was that the "wizard of Menlo Park" led the way in making competition the norm in American capitalistic civilization. Though he himself benefited to some extent by patent monopolies in the lighting and phonograph and moving picture fields, Edison soon discovered that even perfectly legal monopolies were impossible to maintain. The patent infringers were like the tides which Canute could not face down. Indeed, far from being a system operated by monopolistic "robber barons," the capitalistic order of nineteenth century America was even more unmitigatedly competitive than Edi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

son himself cared to contemplate. But, though patent infringement may have been unfair to the inventor, the customer certainly did not suffer because of it.

The House of Morgan

J. P. Morgan helped bankroll the early Edison. As a financier, Morgan was not inclined to give Edison too much money too quickly, and Mr. Josephson chooses to interpret this as stupidity and niggardliness on the part of a conventional "Wall Street." Mr. Josephson's view rests, of course, on hindsight. A more charitable interpretation of the whole business is that Morgan was not versed in the intricacies of such esoteric matters as Ohm's Law of electrical resistance. After all, electricity was a complete mystery to people in the nineteenth century – and Morgan and his friends did pretty well by Edison when they took the inventor's first promises on trust. Moreover, Morgan's money was his own to play with – and if he chose to deploy much of it in other directions than those approved by Edison, that was his own affair. As for Edison, he was always smart enough to recoup his own fortunes no matter what he spent on his inventions. One thing paid for another with Edison – and the successes always proved bigger than the failures.

If in the light of Mr. Josephson's book the historical goblin of the "robber baron monopolists" tends to dissolve into thin air, there is another familiar charge against "capitalism" that is also dispelled by these pages. Historians without end have averred that capitalism made the world a cluttered and dirty place. But Edison's life work proved that the dirt and clutter were not due to the operation of the capitalist economic system as such. The dinginess of early nineteenth century times was due to – coal and gas. When Edison substituted the central power station and the electric light for coal and gas, the world quickly became a cleaner place. And capitalism proved just as willing to finance the new Edisonian cleanliness as it had been willing to finance the dirty spouting engines made possible by James Watt.

Mr. Josephson, of course, is not interested in making out a case for nineteenth century capitalism. But his *Edison* is for the most part a splendidly objective biography. Despite Mr. Josephson's previous ideological commitments to the Left, it makes out its own case. America comes off well in this book – so well, in fact, that Mr. Josephson may be reckoned an unconscious convert to a view of the past that may become more knowingly explicit in his next book. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

▸ *INTELLECTUAL SCHIZOPHRENIA* by R. J. Rushdoony. Preface by Edmund A. Opitz. The Presbyterian and Reformed Publishing Company, 1961. 133 pp. $2.75.

Reviewed by Robert Thornton

DEAN INGE, the controversial English churchman, sent birthday greetings to the Quaker philosopher, Rufus Jones, remarking that he was gratified to know that if the Church of England kicked him out, he would have a spiritual home in the Society of Friends. It is to be hoped that the Reverend Mr. Rushdoony, likewise, has made arrangements for new spiritual accommodations should he require them at some future date; and he just might, especially if he continues writing books as provocative as the one under review! It is a powerful little package, a real thought shaker.

Critics of education in the United States are all about us, but most of them treat the subject in a superficial manner. The current crop, for instance, assures us that the way to solve all educational problems is to spend several more billions on schools each year; a few years back professional educators whooped it up for various and sundry experiments with newly conceived curricula. One of the few critics to go deep was the late Albert Jay Nock, who in his Page-Barbour Lectures at the University of Virginia,[1] pointed out that experiments with methods, curricula educational plants, etc. did not go to the root of the matter; that the real problems stemmed from the theory of education presently accepted, whether consciously or not, by most citizens of the nation. This theory assumes, in brief, that there is one kind of education for everyone, that everyone can and should be educated, and that "universal education" – equated with training in verbal skills – will bring great improvements to society and government. This theory is seriously defective, and until we get ourselves a new theory all our efforts to improve the situation, however sincere, will, at best, accomplish little and, at worst, do irreparable damage.

Now Mr. Rushdoony gets down to bedrock with his perceptive criticism of the state of education today as the inevitable outcome of adhering to a bad theory. In our so-called public school system, he says, we have created a secular institution that has for its object of worship, not God but the State. "Modern education thus is statist education, and the state is made the all-embracing institution of which all other institutions are

[1] *The Theory of Education in the United States*, Regnery, Chicago.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but facets." This has been true even with schools under the control of local governments and will, of course, progress further once the national government intervenes under the guise of rendering financial assistance to supposedly bankrupt school districts. Let the central government gain control of the local school districts and pupils will be indoctrinated with pseudopatriotic nonsense about the glories of the nation. The educator will "play the role of a god" in the effort to remake man into a contented tool of the all-powerful State.

Again, going deep to help us grasp a full understanding of our present dilemma, Mr. Rushdoony shows that "secular learning is involved in self-contradiction, is continually denying itself." The end result of attempting "to function apart from God, to use the things of this creation while denying their creator and the eternal decree behind all reality (may) be characterized as intellectual schizophrenia." He would doubtless agree with Wilhelm Roepke's analysis of the present debacle: "It is as though we had wanted to add to the already existing proofs of God's existence, a new and finally convincing one: the universal destruction that follows on assuming God's nonexistence."

Organized religion has not been invulnerable to this secular trend. Man and his politics, not God, is to an alarming degree, the center of ecclesiastical attention. It is sad irony that many churches are supporting federal aid to education, often indirectly by favoring aid to public schools and/or opposing aid to private or parochial schools. The libertarian cannot favor any federal aid to any educational institutions, but he is especially opposed to a program that discriminates against private schools; for these institutions are the last bulwarks against the spread of a secular, statist education that engulfs all. They will have little chance of survival if present trends continue.

Mr. Rushdoony's book is a fine effort to halt this trend toward the absurd extreme of a man-centered but depersonalized society, and restore some sense of balance to our thinking about man's proper deportment in God's world. We should not be dismayed because the age in which we live is a decadent one. This very fact should be treated as a challenge which, bravely faced, will give the individual a true sense of joyful living. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TO OBTAIN COMPREHENSIVE ORIENTATION IN NEOCLASSICAL ECONOMICS

If an economist asks himself in which of three schools of economic thought he has read least — whether Classical, Collectivist or Neoclassical — his answer will probably be, *Neoclassical.* Further reading of the writings of this school of thought should be rewarding.

(1) In time sequence, what is called Classical came first. In retrospect, it appears that the name was applied too early in the history of economic thought.

(2) Collectivist economics (socialist, communist, central planning, *dirigist*) is a hostile reaction to the Classical, which was basically rooted in freedom. The socialists discovered some of the fallacies of the Classicists, but the solutions of the socialists were aggravations of the errors of the Classicists. The socialists disagreed with the Classicists where the latter were right, and built their own socialist superstructure on the fallacies of the Classicists; the socialists in general rejected the good and kept the bad of the Classicists.

(3) The Neoclassicists (as their name indicates) are in the genuine tradition of the Classicists and they corrected ambiguities and errors of the latter. The writings of classicists as Adam Smith and David Ricardo are not effective today against collectivist economics. Those authors do not provide the help that the anti-collectivists need. It is the Neoclassical who are especially useful in this regard.

Several of the greatest Neoclassicists were Austrian nationals. They wrote in German. Only recently have translations or new books by them become available in the English language.

continued

LIBERTARIAN PRESS, South Holland, Illinois

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We are herewith offering three books which constitute the main stream of Neoclassical thought, at a special combination price.

(1) *Carl Menger* PRINCIPLES OF ECONOMICS
The Free Press, Glencoe, Illinois, 1950 - 320 pages $ 6

(2) *Eugen von Böhm-Bawerk* CAPITAL AND INTEREST
Libertarian Press, South Holland, Illinois, 1959
I History and Critique of Interest Theories
II Positive Theory of Capital
III Further Essays on Capital and Interest
1248 pages Three Volumes In One: $15
(*See page four for reference to three-volume edition*)

(3) *Ludwig von Mises* HUMAN ACTION
Yale University Press, New Haven, Conn., 1949
899 pages $12.50

COMBINATION PRICE **$30**

Libertarian Press will supply these three books for the special, reduced, combination price of $30 plus postage.

Carl Menger

(1) *Menger:*
PRINCIPLES OF ECONOMICS

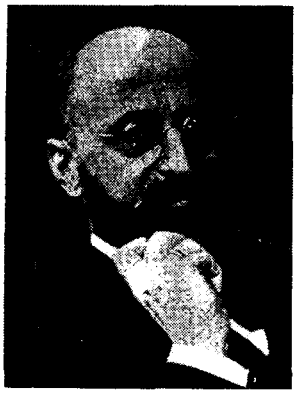
Menger's *Principles of Economics* is the earliest and shortest book in the series. It is also the easiest reading.

This book contains in simplest form the basic idea which constituted, in the 19th century, a "revolution in economics." (There is an Introduction by Frank H. Knight, which should be read *after* the Menger, Böhm-Bawerk and Mises books have been read.)

continued

LIBERTARIAN PRESS, South Holland, Illinois

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Böhm-Bawerk

(2) *Böhm-Bawerk:*
CAPITAL AND INTEREST

Marx and other socialists attacked *all* "unearned income," as exploitation of employes; they were grossly mistaken.

In opposition to that, pro-capitalism economists defended interest on the ground that it was not exploitation of the worker, but compensation for the productivity of the capital supplied; or they gave other reasons. But these arguments were fallacious, as both the socialists declared and Böhm-Bawerk has shown.

History and Critique of Interest Theories (Vol. I) is, figuratively, a graveyard of fallacious interest theories. *Positive Theory of Capital* (Vol. II) contains the most comprehensive analysis that has been made of capital and interest. This volume is an impressive superstructure reared on Menger's premises. *Further Essays on Capital and Interest* (Vol. III) supplements Volume II.

As an intellectual production, these volumes outrank anything published earlier in the science of economics.

Mises

(3) *Mises:* HUMAN ACTION

Mises's major work is *Human Action.* It builds better, on and beyond, Menger and Böhm-Bawerk.

Human Action is the most comprehensive economic treatise yet written. (First 150 pages pertain to fundamental and difficult epistemological problems.)

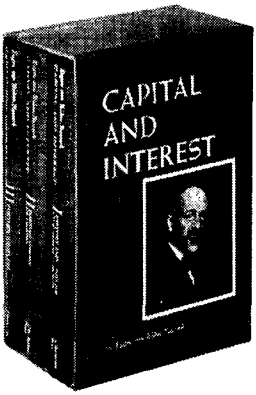
Human Action shows where the cause for business booms and depressions must be sought, and what the policy should be to ameliorate that situation.

Mastering these books will be facilitated by reading them in the chronological order in which they were written; first Menger; then Böhm-Bawerk; then Mises.

continued

LIBERTARIAN PRESS, South Holland, Illinois

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



CAPITAL AND INTEREST: Böhm-Bawerk's main work is so large it has always appeared in more than one volume. In addition to the three-volumes-in-one edition, this text is also available in *three separate volumes,* boxed in a slip-case. 1959. I, 512 pages; II, 480 pages; III, 256 pages. $25 the set, plus postage.

PLANNING FOR FREEDOM by Mises: Trenchant essays, which constitute the easiest introduction to Mises. 1952. 174 pages. Paper $1.50.

SHORTER CLASSICS OF BÖHM-BAWERK:

(To be published soon; approx. 400 pages, $7.50.)

Contents are as follows:

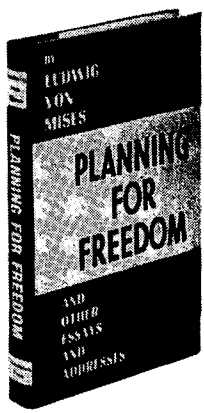
"The Austrian Economists"

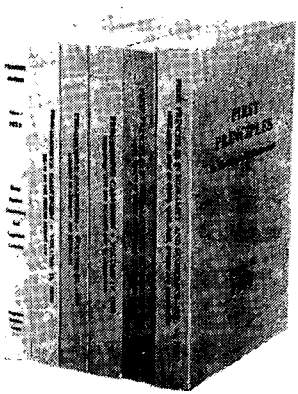
"Whether Legal Rights and Relationships Are Economic Goods" (First English translation)

"Control Or Economic Law?"

"The Unresolved Contradiction in the Marxian Economic System"

"The Ultimate Standard of Value"





FIRST PRINCIPLES IN MORALITY AND ECONOMICS: A 32-page monthly for six years, 1955-1960. A hybrid publication covering ethics and economics, with the ethics Hebrew-Christian; and the economics, Neoclassical. The major emphasis is on ethics. Paperbound. Six volumes at $18. 384 pages each volume, size, 8½" x 5½".

LIBERTARIAN PRESS, South Holland, Ill.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IDEAS ON LIBERTY

Government vs. Government

BY NOW, the government's prosecution of the heavy electrical equipment industry under the antitrust laws is widely known. By this deed, government action has presumably served to promote competition in the industry.

Not so widely known, however, is that the same government at the same time has also been discouraging competition in the heavy electrical generating industry. Government obstacles on imports have contributed to rejected foreign bids even though they have been 30 per cent or more below the lowest domestic bid.

It is surely a striking anomaly to see simultaneously vigorous enforcement of the antitrust laws and government restraints on competition. For government to pursue obviously conflicting purposes smacks of dangerous nonsense, giving rise to that distrust of law which erodes and eventually destroys the foundations of a free society.

To cap the many ironies, reports are now circulating that the government, having won its antitrust case, now seeks to prevent the largest of the firms from competing too hard, in order to avoid "damage" to smaller firms. Its antitrust victory won, the government now wants to re-establish the *status quo ante bellum.*

The development of new and efficient small businesses is one of the basic props to a competitive economy. However, to subsidize small business by arbitrary government policy genuflecting before the shrine of smallness makes no more sense than to discriminate in favor of bigness.

Unless or until we are prepared to let free market forces and the movement of goods perform much of the work of maintaining competition, government policy probably will continue to be inconsistent and self-defeating. In turn, this does not add that respect for government which it should have, but must earn.

From *Economic Intelligence,* July 1961, published by the Economic Research Department of the Chamber of Commerce of the United States.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Founded 1953

INTERCOLLEGIATE SOCIETY OF INDIVIDUALISTS, INC.

For the Advancement of Conservative Thought on the Campus

The Intercollegiate Society of Individualists is a non-profit, non-partisan educational organization. ISI is dedicated to developing among college students and teachers a better understanding of the conservative philosophy of individual liberty, the right of private property, free market economics, limited government, and the spiritual and moral values which underlie this philosophy.

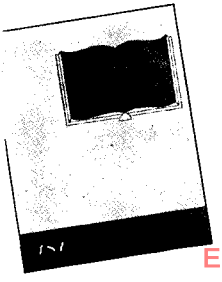
ISI places primary emphasis on the distribution of literature—essays, booklets and books. ISI publications range across many fields: economics, sociology, history, moral philosophy, education and political science.

In addition to its publications program, ISI also:

- Assists in the formation of student discussion groups, conservative clubs, ISI chapters
- Encourages these clubs to publish their own newsletters and magazines
- Arranges for speakers, lecture tours, and conferences
- Conducts an annual summer school

If you know college students or teachers who might be interested in ISI, or if you would like more information about the Society, write the nearest ISI office:

NATIONAL HEADQUARTERS: **410 Lafayette Building, Philadelphia 6, Pennsylvania**
MIDWEST OFFICE: **1014 Lemcke Building, Indianapolis 4, Indiana**



NOW AVAILABLE — to students who are active in their college conservative club, or are interested in starting one — the 24-page ISI Leadership Guide. Write for copy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Freeman

THE FREEMAN may be forwarded anywhere in the U. S. A. No wrapper required.

From:

From "The Virginia Bill of Rights"

■ That all Men are by Nature equally free and independent and have certain inherent Rights of which when they enter into a State of Society, they cannot, by any Compact, deprive or divest their Posterity; namely, the Enjoyment of Life and Liberty with the Means of acquiring and possessing Property, and pursuing and obtaining Happiness and Safety.

GEORGE MASON

To: _____

_____
street

_____
city zone state

PLACE 4½-CENT POSTAGE HERE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED